Preface

For the first time in ACR’s long and distinguished history, the 2009 Asia-Pacific conference was held in India from January 2-4. The growing Indian economy, the increasing culture of consumption among a massive middle class and the presence of world-class business schools in India made it an opportune time for the Association to extend its reach into India by holding one of its international conferences here.

We would like to start by offering our sincere appreciation to Dean M Rammohan Rao for hosting the conference at the prestigious Indian School of Business. His complete support for the conference allowed us to use the beautiful facilities and serene surroundings of the ISB campus to bring together leading scholars from around the world to share their cutting-edge research on a range of consumer research topics. This volume includes summaries of the work presented at the conference ranging from special sessions, competitive papers, working papers, and films. While we were initially unsure of how the ACR community would respond to a conference held in India, which is perceived as being distant and expensive to get to, we were delighted by the quantity and quality of the work presented at the conference.

Managing a large international conference in India would not have been possible without the incredible support we received from the Indian School of Business. Special thanks are due to Poonam Bhakuni who has played the role of a “General” of sorts managing every aspect of the local arrangements as well as interactions with the attendees. She was calm and efficient, and presented a cool and confident demeanor that we were able to leave most arrangements in her capable hands. A second person at ISB to acknowledge would be Kumara Guru who helped with the overall organization of the conference by coordinating with the multiple departments at ISB. We would also like to extend thanks to our colleagues who took on special roles in sifting through the submissions and helping make final decisions regarding the work presented at the conference. Partha Krishnamurthy handled the working papers, Humaira Mahi managed the roundtables, and Marylouise Caldwell and Giana Eckhardt ably managed the film festival.

We are grateful to Merrie Brucks for suggesting that we chair this conference in India and for supporting us when we presented our proposal to the ACR Board. We also owe our gratitude to the numerous reviewers who we called upon to evaluate the submissions. Several were given exceptionally short turnaround times and they responded with graciousness and speed while still providing the constructive feedback that authors expect. Thanks to all of you.

Sridhar Samu, Indian School of Business
Rajiv Vaidyanathan, University of Minnesota Duluth
Dipankar Chakravarti, Johns Hopkins University
2009 ACR-AP Conference Co-Chairs and Proceedings Editors
Conference Chairs
Sridhar Samu, Indian School of Business
Rajiv Vaidyanathan, University of Minnesota Duluth
Dipankar Chakravarti, Johns Hopkins University, USA

Program Committee

Mohan Agarwal, Jaypee Business School, JIIT
Laurel Anderson, Arizona State University
Russell Belk, York University
Dhrubes Biswas, IIT, Kharagpur
Ziv Carmon, INSEAD, Singapore
Sucharita Chandran, Boston University
Amar Cheema, Washington University in St. Louis
Shai Danziger, Ben-Gurion University
Ruby Dholakia, University of Rhode Island
Jim Gentry, University of Nebraska
Geraldine Henderson, University of Texas, Austin
Gita Johar, Columbia University
Balaji Krishnan, University of Memphis
Anand Kumar, University of South Florida
Tina Lowrey, University of Texas, San Antonio
Joan Meyers-Levy, University of Minnesota Twin Cities
Anirban Mukhopadhyay, University of Michigan
Raj Raghunathan, University of Texas, Austin
Akshay Rao, University of Minnesota Twin Cities
Jaideep Sengupta, HKUST
Piyush Sharma, Hong Kong Polytechnic
L.J. Shrum, University of Texas, San Antonio
Dilip Soman, University of Toronto
Siek Tambyah, National University of Singapore
Rohit Varman, IIM, Calcutta
Alladi Venkatesh, University of California Irvine
Kathleen Vohs, University of Minnesota Twin Cities
Catherine Yeung, National University of Singapore
Praveen Aggarwal, University of Minnesota Duluth
Rajesh Bagchi, Virginia Tech
Sivakumaran Bhardwaj, IIT, Chennai
Merrie Brucks, University of Arizona
Julien Cayla, AGSM
Amitava Chattopadhyay, INSEAD, Singapore
Carolyn Costley, University of Waikato
Sameer Deshpande, University of Lethbridge
Giana Eckhardt, University of Suffolk
Mahesh Gopinath, Old Dominion University
Shailendra Jain, University of Washington
Punam A. Keller, Dartmouth College
Shanker Krishnan, Indiana University
Piyush Kumar, University of Georgia, Athens
Prashant Malaviya, Georgetown University
Arul Mishram, University of Utah
A.V. Muthukrishnan, HKUST
Suresh Ramanathan, University of Chicago
Sudipt Roy, Indian School of Business
Avi Shankar, University of Bath
Baba Shiv, Stanford University
Jackie Snell, San Jose State University
Joydeep Srivastava, University of Maryland
Ana Valenzuela, Baruch College, CUNY
Ekant Veer, University of Bath
Madhu Viswanathan, University of Illinois, Urbana-Champaign
Jerome Williams, University of Texas, Austin

Track Chairs

Working Papers
Partha Krishnamurthy, University of Houston, Houston

Roundtable
Humaira Mahi, San Francisco State University
Dipankar Chakravarti, Johns Hopkins University, USA
Sridhar Samu, Indian School of Business
Rajiv Vaidyanathan, University of Minnesota Duluth

Film Festival
Marylouise Caldwell, University of Sydney
Giana Eckhardt, Suffolk University
Associate Editors
Marylouise Caldwell, The University of Sydney, Australia
Giana Eckhardt, Suffolk University, USA
Humaira Mahi, San Francisco State University
Parthasarathy Krishnamurthy, University of Houston, USA

Competitive Paper Reviewers
Lisa Abendroth, University of St. Thomas, USA
Praveen Aggarwal, University of Minnesota Duluth, USA
Nidhi Agrawal, Northwestern University, USA
Charles Areni, The University of Sydney, Australia
Rajesh Bagchi, Virginia Tech
Syagnik Banerjee, University of Michigan Flint
Russell Belk, York University, USA
Jean Boisvert, American University of Sharjah
S. Adam Brasel, Boston College, USA
Dipankar Chakravarti, Johns Hopkins University
Subimal Chatterjee, Binghamton University, USA
Amar Cheema, Washington University in St Louis, USA
Gert Cornelissen, Pompeu Fabra University, Spain
Margaret Craig-Lees, Auckland University of Technology
M. Deniz Dalman, SUNY Binghamton
Nikhilesh Dholakia, University of Rhode Island
Amber M. Epp, University of Nebraska, USA
Rosellina Farraro, University of Maryland, USA
Sanjana Gaur, AUT
Joan Giese, University of Oregon
Gerald Gorn, HKUST
Zeynep Gurhan-Canli, Koc University, Turkey
Manoj Hastak, American University
Timothy Heath, Miami University, USA
Steve Hoeflerr, Vanderbilt University, USA
Donna Hoffman, University of California, Riverside, USA
Shailendra Jain, University of Washington, USA
Rama Jayanti, Cleveland State University
Micael-Lee Johnstone, Victoria University, Wellington, New Zealand
Philippe Jourdan, P.K. Kannan, University of Maryland
Uzma Khan, Stanford University, USA
Robert Kozinets, York University
Shanker Krishnan, Indiana University, USA
Michel Larocque, Concordia University, Canada
Angela Y. Lee, Northwestern University, USA
Noah Lim, University of Houston
Tina M. Lowrey, University of Texas at San Antonio, USA
Nicholas Lurie, Georgia Institute of Technology, USA
Anil Mathur, Hofstra University
Tridib Mazumdar, Syracuse University
Geeta Menon, New York University, USA
C. Page Moreau, University of Colorado at Boulder, USA
Amirreza Mortazavi, University of Michigan, USA
Mohammed Moudon, National University, USA
Joseph Nunes, USC
Per Ostergaard, University of Southern Denmark, Denmark
Jean-Francois Ouimet, HEC Montreal
Vipul Patel, Faculty in the area of Marketing, V.M.Patel Institute of Management, Ganpat University, Kherva, Mehsana, Gujarat, India
Joann Peck, University of Wisconsin-Madison, USA
Joseph Priester, University of Southern California, USA
Sanjay Putrevu, University at Albany, SUNY
Priyali Rajagopal, Southern Methodist University

James Agarwal, University of Calgary
Dr. Mohan Agrawal, Multinational Business Academy
Laurel Anderson, Arizona State University
Laurence Ashworth, Queen's University, Canada
Aysen Bakir, Illinois State University, USA
Michael Basil, University of Lethbridge, USA
Rajesh Bhargave, The Wharton School, University of Pennsylvania
Simona Botti, London Business School, UK
David Brinberg, Virginia Tech
Sucharita Chandran, Boston University, USA
Amitava Chattopadhyay, INSEAD, Singapore
Haipeng Chen, Texas A&M University, USA
Carolyn Costley, Waikato Management School
Darren Dahl, University of British Columbia, Canada
Shai Danziger, Ben-Gurion University, Israel
Giana Eckhardt, Suffolk University, USA
Sasha Fedorikhin, Indiana University, USA
Gita Garg, University of Michigan, USA
Jim Gentry, University of Nebraska
Mahesh Gopinath, Old Dominion University, USA
Reetika Gupta, Lehigh University
Rebecca Hamilton, University of Maryland, USA
Douglas Hausknecht, University of Akron, USA
Paul Herr, University of Colorado
JoAndrea Hoegg, University of British Columbia, Canada
Mathew S. Isaac, Northwestern University, USA
Narayan Janakiram, University of Arizona
Gita Johar, Columbia
Joshy Joseph, Indian Institute of Technology Madras
Annammal Jamy Joy, Hong Kong Polytechnic University, Hong Kong
Harish Kapoor, Acadia University
Anma Kirmani, University of Maryland, USA
Aradhna krishna, University of Michigan
Aparna A. Labroo, University of Chicago, USA
Gilles Laurent, HEC Paris, France
Siew Meng Leong, National University of Singapore, Singapore
Therese Louie, San Jose State University
David Luna, Baruch College, USA
Prashant Malaviya, INSEAD, France
Gunnar Mau, Institute of Marketing and Retailing
Laurie Meamber, George Mason University
David Glen Mick, University of Virginia, USA
Andrea C. Morales, Arizona State University, USA
Vicki Morwitz, Stern School of Business, New York University
A V Muthukrishnan, Hong Kong University of Science & Technology, China
Nathan Novemsky, Yale University, USA
Nor Asiah Omar, IMD
Cele Otten, University of Illinois at Urbana-Champaign, USA
Timucin Ozcan, University of Rhode Island
Cornelia Pechmann, University of California, Irvine, USA
Kyosti Pennanen, University of Vaasa, Department of Marketing
Girish Punj, University of Connecticut, USA
Rajagopal Raghunathan, The University of Texas at Austin, USA
Sekar Raju, Iowa State University, USA
Suresh Ramanathan, University of Chicago, USA
Anne Roggeveen, Babson College, USA
Subhadip Roy, ICFAI University
Sridhar Samu, Indian School of Business, India
Yaniv Shani, Ben Gurion University
Piyush Sharma, Hong Kong Polytechnic University, Hong Kong
Paurav Shukla, University of Brighton
Eugene Sivadas, University of Washington
Dilip Soman, University of Toronto, Canada
Harish Sujan, Tulane University, USA
Nader Tavassoli, London Business School
Katja Tornberg, Tampere University of Technology
Ekant Veer, University of Bath, UK
Peeter Verlegh, Erasmus University, The Netherlands
Kathleen D. Vohs, University of Minnesota, USA
Jerome Williams, The University of Texas at Austin, USA
Richard Yalch, University of Washington, USA
Catherine Yeung, National University of Singapore, Singapore
Hong Yu, Ryerson University
Rui Juliet Zhu, University of British Columbia, Canada

Special Session Reviewers

Praveen Aggarwal, University of Minnesota Duluth, USA
Russell Belk, York University, USA
Anirban Mukhopadhyay, University of Michigan, USA
Sridhar Samu, Indian School of Business, India
Joydeep Srivastava, University of Maryland, USA
Alladi Venkatesh, University of California, Irvine, USA
Kathleen D. Vohs, University of Minnesota, USA
Laurel Anderson, Arizona State University
Tina M. Lowrey, University of Texas at San Antonio, USA
Cornelia Pechmann, University of California, Irvine, USA
L. J. Shrum, University of Texas at San Antonio, USA
Rajiv Vaidyanathan, University of Minnesota Duluth, USA
Madhu Viswanathan, University of Illinois at Urbana-Champaign, USA

Working Paper Reviewers

Demetra Andrews, University of Houston
Sucharita Chandran, Boston University, USA
Arjun Chaudhuri, Fairfield University
Giana Eckhardt, Suffolk University, USA
A FUAT FIRAT, University of Texas–Pan American
Rama Ganesan, University of Arizona
Paromita Goswami, Xavier Institute of Management, Bhubaneswar
Douglas Hausknecht, University of Akron, USA
Gita Johar, Columbia
Joshy Joseph, Indian Institute of Technology Madras
Parthasarathy Krishnamurthy, University of Houston, USA
Gilles Laurent, HEC Paris, France
Nina Mazur, University of Toronto, Canada
C. Page Moreau, University of Colorado at Boulder, USA
Julie L. Ozanne, Virginia Tech
Sonja Prokopec, University of Houston
Aric Rindfleisch, University of Wisconsin-Madison
Yaniv Shani, Ben Gurion University
Anuradha Sivaraman, University of Delaware, USA
Jill Sundie, University of Houston, USA
Rajiv Vaidyanathan, University of Minnesota Duluth, USA
Richard Yalch, University of Washington, USA
Rajesh Bagchi, Virginia Tech
Rajesh Chandrashekar, Fairleigh Dickinson University
Margaret Craig-Lees, Auckland University of Technology
Rosellina Ferraro, University of Maryland, USA
David fortin, U of Canterbury
Joan Giese, University of Oregon
Sonya Grier, American University, USA
Narayan Janakiraman, University of Arizona
Jeff Joireman, Washington State University
Adwait Khare, Quinipiac University, USA
Anand Kumar, University of South Florida, Tampa
Humaira Mahi, San Francisco State University
Meg Meloy, Penn State University
Anish Nagpal, University of Melbourne, Australia
Hilke Plassmann, INSEAD
Kaleel Rahman, Assistant Professor of Marketing
Cristel Russell, Auckland University of Technology, New Zealand
Avi Shankar, University of Bath
Harish Sujan, Tulane University, USA
Joff Thomas, IIM Kozhikode
Jeff Wang, City University of Hong Kong
Rui Juliet Zhu, University of British Columbia, Canada

Roundtable Session Reviewers

Humaira Mahi, San Francisco State University
Dipankar Chakravarti, Johns Hopkins University, USA
Sridhar Samu, Indian School of Business
Rajiv Vaidyanathan, University of Minnesota Duluth
Table of Contents and Conference Program

Advances in Consumer Research

Preface ............................................................................................................................................................. iii
Conference Committees / Reviewers .............................................................................................. iv
Table of Contents ....................................................................................................................................... vii

FRIDAY, 02 JANUARY 2009

ACR Registration
5:00pm - 7:00pm
Registration Desk-Main Reception

Welcome Address
6:30 pm
EH Mirror Pool

Welcome Dinner
7:00pm - 9:00 pm
EH Mirror Pool

SATURDAY, 03 JANUARY 2009

Continental Breakfast
7:30 - 8:30 am
Bajaj Dining Hall

Registration
8:30am - 3:30pm
Main Reception

Session 1:00
8:30am - 09:45am.

1.01 Competitive Paper : I Win You Lose: Consumer Perceptions of Fairness and Other Judgments

Room: AC 2 MLT
Chair: Atanu R Sinha, University of Colorado at Boulder

Perceived Price Fairness: The Role of Other Marketplace Players ................................................................. 1
Mark Ratchford, University of Colorado at Boulder, Leeds School of Business, Boulder, CO 80309, USA
Atanu R Sinha, University of Colorado at Boulder, Leeds School of Business, Boulder, CO 80309, USA*

Getting what they deserve: The role of fairness in schadenfreude from another’s product failure .................. 2
Ethan Pancer, Queen’s School of Business, Canada*
Laurence Ashworth, Queen’s School of Business, Canada

Consumers’ Reluctance to Use Windfall Gains to Offset Opportunity Losses .............................................. 3
Subimal Chatterjee, SUNY at Binghamton, USA*
Timothy Heath, Miami University, USA
Magdoleen Ierlan, SUNY at Binghamton, USA
Napatsorn Jiraporn, SUNY at Binghamton, USA
1:02 Competitive Paper: International Consumer Behavior: Understanding Consumption Around The World
Room: AC 2 NEW MLT
Chair: Tridib Mazumdar, Syracuse University

Emerging Profile of Online Shoppers in India: An Empirical Investigation and Implications
Mohan Agrawal, Jaypee Business School India*
Vidushi Sandhir, Jaypee Institute of Information Technology, India*
Gaurav Gupta, Delhi College Of Engineering, India*

Conspicuous Consumption in Cross-national Context: Psychological and Brand Antecedents
Paurav Shukla, University of Brighton, UK
Ekta Shukla, Freelance researcher, UK
Sangeeta Sharma, Birla Institute of Technology and Sciences Pilani, India.

Consumer Perceptions of Service Quality: A Cross-National Analysis
James Agarwal, University of Calgary, Canada*
Naresh Malhotra, Georgia Tech, USA
Ruth Bolton, Arizona State University, USA

1:03 Competitive Paper: Placing Products: How Physical Location of Products Affects Perceptions
Room: AC 3 MLT
Chair: Anne Roggeveen, Babson College, USA

Bodily Sensations and Context Effects: The Moderating Role of Physical Distance
Joan Meyers-Levy, University of Minnesota, USA

Product “Position”-ing: Implications Of Vertical And Horizontal Shelf Space Placement
Ana Valenzuela, Baruch College, CUNY, USA
Priya Raghubir, UC Berkeley, USA

How the Order of Sampled Experiential Goods Affects Choice
Dip Biswas, Bentley College, USA
Dhruv Grewal, Babson College, USA
Anne Roggeveen, Babson College, USA*

1:04 Special Session: Negotiating Individuated Identity in the Face of Dominant Ideological Representations: The Role of Advertising and Technology Consumption
Room: AC 4 MLT
Chair: Meera Venkatraman, Suffolk University, USA
Discussion Leader: Alladi Venkatesh, University of California at Irvine, U.S.A.

The Not-So-Desperate Housewives of India
Ambi M.G. Parameswaran, FCB-Ulka Mumbai, India

Imagining an Indian Identity: an Ethnography of Muslim Indian Women and Media Reception
Julien Cayla, Australian Business School, Australia

From Tool to Transformation: Consuming Technology to Negotiate Identity
Meera Venkatraman, Suffolk University, U.S.A.
Fleura Bardhi, Northeastern University, U.S.A.
Robin Higie Coulter, University of Connecticut, U.S.A.

1.05 Special Session: Socio-Culturally Embedded Literacies in an Emerging Economy
Room: AC 7 MLT
Chair: Laurel Anderson, Arizona State University
Discussion Leader: Amitava Chattopadhyay, INSEAD Singapore

Alternative Literacies in India
Genevieve Bell, Intel Corporation USA*
Ashwini Asokan, Intel Corporation*
Literacy By Proxy: India’s “Smaller” Fathers and Mothers .......................................................... 31
Laurie Anderson, Arizona State University*

Socially-Embedded Marketplace Literacy in Subsistence Contexts ........................................ 32
Madhu Viswanathan, University of Illinois*
Srinivas Sridharan, University of Western Ontario*

1.06 Film Festival:
Room: MAX LT (AC 3)

Naturalistic Group Interviewing in China ................................................................. 33
Giana Eckhardt, Suffolk University, USA
Anders Bengtsson, Suffolk University, USA

Behind Closed Doors: Gendered Home Spaces in a Gulf Arab State ........................................ 34
Russell Belk, York University, Canada*
Rana Sobh, University of Qatar*

1:07 Competitive Paper : Image Transfers: How Brands Affect Each Other
Room: AC 8 MLT
Chair: Harish Kapoor, Acadia University, Canada

Enhancement or Dilution? Asymmetric Influence of Channel Fit on Beliefs and
Evaluations of Functional and Symbolic Brands and Stores ............................................... 35
Kalpesh Kaushik Desai, SUNY-Binghamton, USA*
Kevin Lane Keller, Dartmouth College, USA

Brand Fit, Selective Hypothesis Testing, and Evaluation of Brand Extensions .......................... 37
Harish Kapoor, Acadia University, Canada*

The Impact of Parent Brand Salience and Extension Innovativeness on
Reciprocal Transfer of Image and Performance Associations ........................................... 39
Jean Boisvert, American University of Sharjah, UAE*

1:08 Competitive Paper : New Findings in Judgment and Choice
Room: AC 2 LT
Chair: Joffi Thomas, Indian Institute of Management, Kozhikode, India

When Numbers Are Frightening: Effects of Message Framing on Judgments of Risk and Behavioral Intentions ............... 42
Nevena Koukova, Lehigh University, PA, USA
Joydeep Srivastava, University of Maryland, College Park, MD, USA

Martin Jen-Yuan Liu, Warwick Business School, U.K.*
Qing Wang, Warwick Business School, U.K.

Rahul Govind, University of Mississippi*
Nitika Garg, University of Mississippi

The Effects of Conceptual Priming on Stimulus-Based Choice.............................................. 50
Antonia Mantonakis, Brock University, Canada*
Carolyn Yoon, University of Michigan
2:01 Competitive Paper : Overcoming Resistance and building stronger relationships: Novel Ways of Changing Consumer Attitudes
Room: AC 2 MLT
Chair: Steffen Zorn, University of Western Australia, Australia

The Influence of Public Commitment on Resistance to Attitude Change: 
An Investigation into the Psychological Processes. .......................................................... 58
Mahesh Gopinath, Old Dominion University, USA*
Prashanth Nyer, Chapman University, USA

The Mere Forecasting Effect: How Focusing on the Future Influences Current Attitudes .......................................................... 60
Mathew S. Isaac, Northwestern University Kellogg School of Management, USA
Bobby J. Calder, Northwestern University Kellogg School of Management, USA

Identifying and Managing Valuable Prospects .................................................................................. 62
Steffen Zorn, University of Western Australia, Australia
Jamie Murphy, University of Western Australia, Australia*

2:02 Competitive Paper : Doing The Right Thing: Perspectives on Corporate Social Responsibility
Room: AC 2 NEW MLT
Chair: John Pracejus, University of Alberta

Using Corporate Social Responsibility to Strengthen Employee and Customer Relationships .......................................................... 64
Daniel Korschun, Drexel University, USA
C.B. Bhattacharya, Boston University, USA*
Sankar Sen, Baruch College/CUNY, USA*

Shuili Du, Simmons College, School of Management, Boston, Massachusetts, USA
Sucharita Chandran, School of Management, Boston University, Boston, Massachusetts, USA*

An Examination of the Formation of Consumer CSR Association: 
When Corporate Social Responsible Initiatives are Effective ........................................................................................................ 68
Haodong Gu, University of New South Wales, Australia*
Pamela Morrison, University of New South Wales, Australia

2:03 Competitive Paper : In The Family Way: Family Impacts on Consumer Behavior
Room: AC 3 MLT
Chair: Gurvinder Singh Shergill, Department of Commerce, Massey University

Consumers Preferences Towards Restaurants: Examining Their Homogeneity .......................................................... 76
Yogesh Upadhyay, Reader, Jiwaji University, Gwalior, India.*
Shiv Kumar Singh, Reader, Jiwaji University, Gwalior, India.*
Dhiraj Sharma, Academic Associate, Indian School of Business, Hyderabad, India.*

Parents’ Perception of Teen’s Influence on Family Purchase Decisions: A Study of Cultural Assimilation .............................. 83
Gurvinder Singh Shergill, Department of Commerce, Massey University, Auckland, New Zealand
Min Zhao, Decorator Consultant,Freedom Furniture, 19 Link Drive Rd, Wairak Park, North Shore City, Auckland, New Zealand

Mood Behavior on Club Vacations .......................................................................................................................... 90
Gunter Silberer, University of Gottingen, Germany*
Gunnar Mau, University of Gottingen, Germany
Susanne Roth, Bauer Verlag, Hamburg, Germany
2:04 Competitive Paper: Improving the Assessment of Gender and Culture Differences
Room: AC 4 MLT
Chair: Piyush Sharma, Hong Kong Polytechnic University, Hong Kong

Consumer Sexism: Scale Development and Validation
Jean-Francois Ouellet, HEC Montreal, Canada*
Myriam Beaunoyer, HEC Montreal, Canada
Caroline Lacroix, CERAG/Universite Pierre-Mendes-France, France

Consumer Fashion Innovativeness Across Cultures: A Test Of Scale Reliability and Measurement Invariance
Anil Mathur, Frank G. Zarb School of Business, Hofstra University, U.S.A.*
Benny Barak, Frank G. Zarb School of Business, Hofstra University, U.S.A.
Yong Zhang, Frank G. Zarb School of Business, Hofstra University, U.S.A.
Keun S. Lee, Frank G. Zarb School of Business, Hofstra University, U.S.A.
Denis Guiot, Universite de Paris, France

Worlds Apart: Collecting Primary Data on AIDS from Semi-literate Indian Truckers Speaking Different Languages
Joseph Paniculangara, University of Central Florida, USA*

2:05 Special Session: Finding Your Way Out of Sticky Situations: The Role of Self-Regulation
Room: AC 7 MLT
Chair: Raj Raghunathan, University of Texas at Austin, USA
Discussion Leader: Jaideep Sengupta, HKUST

Why One Can’t Stop Looking at that Temptation: Dynamics of Attentional Biases in Self-Control Dilemmas
Suresh Ramanathan, University of Chicago, USA*

The Inertia of Motion
Sunaina Chugani, UT Austin, USA*
Raj Raghunathan, UT Austin, USA
Ying Zhang, UT Austin, USA

Switching Mindsets Drains Self-Regulatory Resources
Kathleen Vohs, University of Minnesota, USA*
Ryan Hamilton, Northwestern University, USA

2:06 Film Festival:
Room: MAX LT (AC 3)

A Right to Life: Reducing Maternal Death and Morbidity in Pakistan
Marylouise Caldwell, University of Sydney*
Paul Henry, University of Sydney

2:07 Roundtable Session: Conducting Consumer Research in India: Challenges, Issues and New Directions
Room: AC 8 BOARD ROOM
Chair: Humaira Mahi, San Francisco State University

Participants:
Soren Askegaard, University of Southern Denmark, Denmark
Dipankar Chakravarti, Johns Hopkins University
Sameer Deshpande, University of Lethbridge, Canada
Giana Eckhardt, Suffolk University, USA
Srin Sridharan, University of Western Ontario, Canada
Sridhar Samu, Indian School of Business, India
Rajiv Vaidyanathan, University of Minnesota - Duluth, USA
Ajay Singh, Indian School of Business, India
Venkatesh Parthasarathy, Indian Institute of Management, Ahmedabad, India
Joffi Thomas, Indian Institute of Management, Kozhikode, India
3:01 Plenary Session: Consumer Behavior at the Bottom of the Pyramid
Room: Khemka Auditorium
Chair: Laurel Anderson, Arizona State University

Consumer Behavior at the Bottom of the Pyramid
Verghese Jacob, Byrraju Foundation, Hyderabad, India

Lunch
12:45pm - 2:15pm
Atrium
Sponsored by
Johns Hopkins Carey Business School

4.01 Competitive Paper: What Do You Think? On Reactions to Online Reviews
Room: AC 2 MLT
Chair: Jooyoung Park, Korea Advanced Institute of Science, Korea

Persuasive Influence of Online Word of Mouth and Professional Reviews
Anindita Chakravarty, Pennsylvania State University, USA
Yong Liu, University of Arizona, USA
Tridib Mazumdar, Syracuse University, USA

"Is it Really Complicated?" Motivational Differences in the Effects of Structural and Outcome Complexity on Consumers’ Web site and Brand Evaluations
Reetika Gupta, Lehigh University, USA
Stephen, J. Gould, Baruch College, CUNY, USA

Gendered Differences in the Trust of e-Word-of-Mouth from Virtual Reviewers
Shahana Sen, Fairleigh Dickinson University, USA

4:02 Competitive Paper: I Am What I Consume: Studying the Link between Self Image and Consumption
Room: AC 2 NEW MLT
Chair: Aysen Bakir, Illinois State University, USA

The Impact and Accuracy of Beliefs Relating to Impressions Caused by Products
Laurence Ashworth, Queen’s School of Business, Canada
Margaret Matear, Queen’s School of Business, Canada

Intimacy-related male consumption and masculine identity construction: a consumer point of view
Nacima Ourahmoune, ESSEC BUSINESS SCHOOL/ IAE AIX EN PROVENCE

Living In Double World: Harmonizing Homosexuality And Masculinity
Through Symbolic Consumptions in Private Space
Nopporn Ruangwanit, Thammasat University, Thailand
Kritsadarat Wattanasuwan, Thammasat University, Thailand
Room: AC 3 MLT
Chair: Sanjaya Gaur, Auckland University of Technology

Website Innovativeness: Development and Validation of the Measure ......................................................... 144
Edith Tremblay, Yellow Pages Group, Canada
Anik St-Onge, UQAM, Canada
Jean-François Ouellet, HEC Montreal, Canada*
Sylvain Senecal, HEC Montreal, Canada

Creative Problem Resolution Strategies in On-Line Peer-to-Peer Communities: A Netnographic Exploration ............. 147
Rama Jayanti, Cleveland State University, U.S.A*

4.04 Special Session: Inventing the Nation: Marketing and the Politics of Nation-Making
Room: AC 4 MLT
Chair: Julian Cayla, Australian School of Business
Discussion Leader: Giana Eckhardt, Suffolk University

Nostalgia for a Past that Never Was: Marketers and the Invention of Tradition ................................................ 149
Julien Cayla, Australian School of Business, University of New South Wales*

Imagining India: Narratives of Class and Caste in Indian Advertising .............................................................. 150
A.F. Mathew, Mudra Institute of Communications*

Imagined Nationhood: Advertising Nationalism in Republican Shanghai ......................................................... 151
Xin Zhao, University of Hawaii at Manoa, USA*
Russell Belk, York University, USA

4.05 Film Festival:
Room: MAX LT (AC 3)

This Day is to be Special: The Role of Exaggerated Contrast in an Indian Wedding ................................................. 152
Ekant Veer, University of Bath, UK*

Living Dolls: How Affinity Groups Sustain Celebrity Worship ........................................................................... 154
Marylouise Caldwell, University of Sydney*
Paul Henry, University of Sydney

4.06 Competitive Paper: Facilitating Exchange: Factors Affecting Buyer-Seller Interactions
Room: AC 7 MLT
Chair: Ana Vanenzuela, Baruch College, USA

Information Sharing in Asymmetric Buyer-Seller Negotiations: An Experimental Study ........................................ 156
Abhik Roy, Quinnipiac University, USA*
Michael Menasco, California State University, San Bernardino, USA
Anthony Myers, Bechtel Jacobs Company, USA

The Role of Social Identity and Information in Expectation Formation and Bargaining Facilitation ........................... 158
Ana Valenzuela, Baruch College, CUNY, USA
Joydeep Srivastava, University of Maryland, USA

To Bargain or Not to Bargain? Determinants of Consumer Intention to Bargain in the Retail Market .......................... 160
Meng-Kuan Lai, Business Administration Department, College of Management, National Cheng Kung University, Taiwan
Bayu Aji Aritejo, Business Administration Department, College of Management, National Cheng Kung University, Taiwan*
4:07 Competitive Paper : I Believe You: Trusting Others’ Views  
Room: AC 8 MLT  
Chair: Kyosti Pennanen, University of Vaasa, Department of Marketing, Finland

Effects of Customer Trust on Word of Mouth Communication: Examining Customer-Brand Relationship ....................... 162  
Joffi Thomas, INDIA*  
Ashok Pratap Arora, Management Development Institute, India  
G. Shainesh , Indian Institute of Management Banglore, India

Consumers’ Initial e-Trust Building Process: Development of An Integrative Model and Research Propositions ........... 165  
Kyosti Pennanen, University of Vaasa, Department of Marketing, Finland*

Word-of-Mouth and Consumer Choice Behavior: More on Message and Dispatcher Effects ........................................ 171  
Håvard Hansen, University of Stavanger, Norway  
Sangeeta Singh, BI Norwegian School of Management, Norway*

4:08 Special Session: Influence of Face Reading on Consumer Judgments  
Room: AC 2 LT  
Chair: Rajesh Bagchi, Virginia Tech

Seller’s Face and Concession Patterns: Influence on Buyer’s Price Expectations .................................................... 176  
Rajesh Bagchi, Virginia Polytechnic Institute & State University, USA*  
Dipankar Chakravarti, Johns Hopkins University  
Atanu Sinha, University of Colorado at Boulder

Product Crises and Babyfaces: The Face of a Company Affects Consumer Judgments .............................................. 176  
Gerald Gorn, Hong Kong University of Science and Technology  
Yuwei Jiang, Hong Kong University of Science and Technology  
Gita Johar, Columbia University*

Connecting with Others through Shared Experiences: Differing Effects for Friends and Strangers ............................... 177  
Ann McGill, University of Chicago  
Suresh Ramanathan, University of Chicago*

---

SUNDAY, 04 JANUARY 2009

Continental Breakfast  
7:30am - 8:30 am  
Bajaj Dining Hall

Session 5:00  
8:30am - 9:45am

5:01 Competitive Paper: Developments in Brand and Product Familiarity Effects  
Room: AC 2 MLT  
Chair: Dr. Mohan Agarwal, Jaypee Business School India

Implications of the Relationship between Retrieval Strength and Storage Strength in a Comparative Advertising Context ... 179  
Sara Appleton-Knapp, San Diego State University, USA  
Antonia Mantonakis, Brock University, Canada*

Consumer’s Preference For (Dis)Similar Alternatives: The Moderating Role of Product Familiarity ............................. 185  
Kwanho Suk, Korea University, Korea*  
Song-Oh Yoon, Korea University, Korea

Does consumer experience match expectations? Predicting the influence of price and country of origin on consumer buyer behavior .......................................................... 187  
Roberta Veale, University of Adelaide, Australia  
Pascale Quester, University of Adelaide*
5:02 Competitive Paper: I Don't Trust You: Reactions to Negative Information
Room: AC 2 NEW MLT
Chair: Anil Mathur, Hofstra University

Parity Product Features Can Enhance or Dilute Brand Evaluation:
The Influence of Goal Orientation and Presentation Format
Prashant Malaviya, INSEAD, France
Brian Sternthal, Kellogg School, Northwestern University

Atenuating Suspicion by Revealing Seller Self-Interest: The Role of Categorical versus
Situational Association of Sinister Attribution
Subimal Chatterjee, SUNY at Binghamton, USA
Somali Ghosh, SUNY at Binghamton, USA

Consumer Reprieve
Suraj Commuri, University at Albany, State University of New York
Sanjay Putrevu, University at Albany, State University of New York

5:03 Competitive Paper: From Assessment to Buying: Factors Affecting Consumer Evaluation
and Purchase Behavior
Room: AC 3 MLT
Chair: Paurav Shukla, University of Brighton

Role of Store Image in Consumer Impulse Buying Behavior
M Geetha, Department Of Management Studies, Indian Institute Of Technology Madras
Bharadhvaj Sivakumaran, Department Of Management Studies, Indian Institute Of Technology Madras
Piyush Sharma, Department Of Management and Marketing, Hong Kong Polytechnic University, Hongkong

Exploring Impulse Buying in Services vs. Products - Towards a Common Conceptual Framework
Piyush Sharma, Hong Kong Polytechnic University, Hong Kong
Bharadhvaj Sivakumaran, Indian Institute of Technology Madras, India
Roger Marshall, Auckland University of Technology, New Zealand

Asymmetric Associations and Affective Evaluations: Influences of Positive and Negative Affect
Bruce E. Pfeiffer, University of New Hampshire, US
Paul Herr, University of Colorado
Christine M. Page, Skidmore College, US

5:04 Competitive Paper: Eating Right: Understanding the Consumer Behavior of Food Choices
Room: AC 4 MLT
Chair: Mahesh Gopinath, Old Dominion University, USA

Choosing Healthy Foods: The Consumer Behaviors
Rebecca Hochradel, Delta State University, USA
Mahesh Gopinath, Old Dominion University, USA

Understanding and Facilitating the Use of Nutritional Labels by Low-Literate Consumers
Madhukaran Viswanathan, University of Illinois, USA
Manoj Hastak, American University, USA
Roland Gau, University of Illinois, USA

Enticing the Effects of Consumer Values on Actual Choices of Food Products by Applying the
Value Activation Theory: Chasing Ghosts?
Rami Paasovaara, University of Vaasa, Finland
Harri T. Luomala, University of Vaasa, Finland

5:05 Special Session: Indian Condom Social Marketing Campaigns
Room: AC 7 MLT
Chair: Sameer Deshpande, University of Lethbridge

Concept note on condom social marketing
Kallol Mukherjee, Population Services International, India

xv
Social marketing - Building a bridge among condom, consumer, and community ................................................................. 209
Ajay Singh, Indian School of Business*

Enhancing stakeholder analysis by investigating underlying factors ........................................................................................ 209
Sameer Deshpande, University of Lethbridge, Canada*

5:06 Film Festival: Repeat Session: A Right To Life: Reducing Maternal Death and Morbidity in Pakistan/This Day is to be Special
Room: MAX LT (AC 3)

5:07 Roundtable Session: Re-appropriation in the global consumptionscape
Room: AC 8 BOARD ROOM ............................................................................................................................................. 211
Chair: Giana Eckhardt, Suffolk University, USA
Participants:
Soren Askegaard, University of Southern Denmark, Denmark
Russell Belk, York University, Canada
Nikhilesh Dholakia, University of Rhode Island, USA
Humaira Mahi, San Francisco State University, USA
Meera Venkatramen, Suffolk University, USA
Julien Cayla, University of New South Wales, Australia
Xin Zhao, University of Hawaii, USA

5:08 Special Session: Writing for the Field's Journals: Content and Processor Perspectives
Room: AC 8 MLT
Chair: Mary Ann Twist, University of Wisconsin-Madison

Navigating the Publishing Process at Top Marketing Journals: Process and Content Perspectives .................. 212
Amitava Chattopadhyay, Journal of Consumer Psychology*
Klaus Wertenbroch, Journal of Marketing Research
Kristin Diehl, Journal of the Academy of Marketing Science
Praveen Kopalle, Marketing Science
James Gentry, North American Editor, Journal of Consumer Behaviour

6:01 Competitive Paper : Advertising Effectiveness: New Media and New Models
Room: AC 2 MLT
Chair: Shweta Oza, University of Miami, USA

Convenient or Intrusive? The Role of “When” and “Where” in Consumer Reactions to Mobile Advertising .................. 213
Syagnik Banerjee, Assistant Professor Marketing, University of Michigan, Flint, USA*
Ruby Roy Dholakia, Professor of Marketing and E-Commerce, University of Rhode Island, USA

Generic Advertising Campaigns: A Goals-Based Perspective on the Effect of Market Trends and Solicitation Messages on Voluntary Contributions ................................................................................................. 215
Shweta Oza, University of Miami, U.S.A*
Joydeep Srivastava, University of Maryland

Celebrity Endorsements and Brand Personality .......................................................................................................................... 217
Subhadip Roy, Icfai Institute For Management Teachers, Hyderabad, India*
Y.L.R Moorthi, Indian Institute Of Management, Bangalore, India

6:02 Competitive Paper : Consumer Decision Making
Room: AC 2 NEW MLT
Chair: Rajesh Bagchi, Virginia Tech

An Alternative Decision-making Paradigm: The Maintenance of Mental Health ................................................................. 219
James Gentry, University of Nebraska-Lincoln*
Suraj Commuri, University of Albany
Mariam Beruchashvili, California State University - Northridge

xvi
More News is Bad News? Bilingualism and Overload in Time-Constrained and Consequential Decision-Making Settings
Therese Louie, San Jose State University*
Jackie Snell, San Jose State University*

Social Value Orientation as a Moral Intuition: Decision-Making in the Dictator Game
Gert Cornelissen, Universitat Pompeu Fabra, Barcelona, Spain
Siegfried Dewitte, Katholieke Universiteit Leuven, Belgium
Luk Warlop, Katholieke Universiteit Leuven, Belgium

6:03 Competitive Paper: Online Consumer Behavior
Room: AC 3 MLT
Chair: Lisa Abendroth, University of St Thomas, Minneapolis, USA

The Effect of Gender and Product Categories on Consumer Online Information Search
Jooyoung Park, Korea Advanced Institute of Science, Korea*
Yeosun Yoon, Korea Advanced Institute of Science, Korea*
Byungtae Lee, Korea Advanced Institute of Science, Korea*

Facebook: Making Social Connections
Micael-Lee Johnstone, Victoria University, New Zealand
Sarah Todd, The University of Otago, New Zealand
Adeline Phaik Harn Chua, The University of Otago, New Zealand

The Souvenir Purchase Decision: Effects from Online Availability
Lisa Abendroth, University of St Thomas, Minneapolis, MN, USA

6:04 Special Session: Contesting and Creative Consumption: Past to the Present, National to the Individual
Chair: Ruby Dholakia, University of Rhode Island, USA
Discussion Leader: Rohit Varman, Indian Institute of Management, Calcutta, INDIA

Consumption, Institutions and Strategic Agency
Biswatosh Saha, Indian Institute of Management, Calcutta, INDIA*

Consuming Nationhood: Understanding the role of consumption in the construction of Indian Nationhood
Rohit Varman, Indian Institute of Management, Calcutta, INDIA*

Consumers, Co-creators, Hackers and Resisters: Conceptualizing Techno-Savvy Resistance to Brands and Marketing
Nikhilesh Dholakia, University of Rhode Island, USA*
Julianne J. Cabusas, University of Rhode Island, USA
Caroline Wilcox, University of Rhode Island, USA

Co-creation as Consumer Resistance and Marketer Co-optation
Ruby Dholakia, University of Rhode Island, USA*
Adriana M. Boveda-Lambie, University of Rhode Island, USA

6:05 Special Session: Never Alone: Product Choice in a Complementary World
Room: AC 7 MLT
Chair: Kristin Diehl, University of Southern California

Arranged to Distraction: How Categorizing Products with Complements versus Substitutes
Erna van Herpen, Wageningen University, The Netherlands
Kristin Diehl, University of Southern California, U.S.A.
Cait Poynor, University of Pittsburgh, U.S.A.*

The Role of Abstract and Concrete Mindsets on the Purchase of Adjacent Products
Kelly Goldsmith, Yale University, U.S.A.*
Ravi Dhar, Yale University, U.S.A.
The importance of value certainty in assessing multiple items simultaneously ........................................................................................................... 245

John W. Pracejus, University of Alberta, Canada*
Peter T.L. Popkowski Leszczyc, University of Alberta, Canada
Yingtao Shen, Dominican University, U.S.A.

6:06 Film Festival: Repeat Session: Living Dolls: How Affinity Groups Sustain Celebrity Worship/ Behind Closed Doors: Gendered Home Spaces in an Arab Gulf State
Room: MAX LT (AC 3) ...................................................................................................................................................................... 247

6:07 Roundtable Session: Consumer Behavior Field Experiments Using Google AdWords
Room: AC 8 BOARD ROOM ............................................................................................................................................. 249
Chair: Jamie Murphy, University of Western Australia

Participants:
Jamie Murphy, The University of Western Australia*
Steffen Zorn, The University of Western Australia*
Subroto Roy, University of New Haven*
Sanjoy Ghose, University of Wisconsin-Milwaukee*
Humaira Mahi, San Francisco State University*
Piyush Sharma, Hong Kong Polytechnic University*

6:08 Competitive Paper: Why Do I Like You? Consumer Responses to Various Product Attributes
Room: AC 8 MLT
Chair: Reetika Gupta, Lehigh University

Self Affirmation Through the Choice of High Design ................................................................................................................................. 250
Claudia Townsend, Anderson School of Business UCLA, USA*
Sanjay Sood, Anderson School of Business UCLA, USA

When Good Looks Kill: An Examination of Consumer Response to Visually Attractive Product Design ....................................................... 252
Rishtee Batra, Boston University, USA

Unwrapping the Good News: Packaging Pays, and How! ............................................................................................................................ 254
Tanuka Ghoshal, Carnegie Mellon University, USA*
Peter Boatwright, Carnegie Mellon University, USA
Jonathan Cagan, Carnegie Mellon University, USA

Session 7:00
11:30am -12:45pm

7:01 Plenary Session: Consumer India: An Emerging Profile
Room: Khemka Auditorium
Chair: Dipankar Chakravarti, Johns Hopkins University

Consumer India: An Emerging Profile ............................................................................................................................................... 257
Rama Bijapurkar, India*

Lunch
12:45pm - 02:15pm
Atrium
Sponsored by Johns Hopkins Carey Business School

Session 8:00
02:15pm - 03:30pm

8:01 Competitive Paper: Promotions that Build Customer Loyalty
Room: AC 2 MLT
Chair: Praveen Kopalle, Dartmouth College, USA
Benefits-Satisfaction-Loyalty Linkages in Retail Loyalty Card Program Model: Exploring the Roles of Program Trust and Program Commitment

Musa Rosidah, Assoc. Prof. Dr.*
Omar Nor Asiah, Mrs.*

The Moderating Effect of Loyalty on the Relationship of Sales Promotions and Brand Equity

Joshy Joseph, Indian Institute of Technology Madras, India.*
Bharadhwaj Sivakumaran, Indian Institute of Technology Madras, India.

A Dynamic Structural Model of the Impact of Loyalty Programs on Customer Behavior

Praveen Kopalle, Dartmouth College, USA*
Scott Neslin, Dartmouth College, USA
Baohong Sun, CMU, USA
Yacheng Sun, University of Colorado, USA
Vanitha Swaminathan, University of Pittsburgh, USA

8:02 Competitive Paper: Social and Technological Influences on Consumer Information Process
Room: AC 2 NEW MLT
Chair:

Understanding Computer-mediated Communication Usage: A perspective from MSN services

Chun-Wang Tsou, Department of Transportation and Communication and institute of Telecommunication Management, NCKU, Tainan, Taiwan
Chun-Hsiung Liao, Department of Transportation and Communication and institute of Telecommunication Management, NCKU, Tainan, Taiwan

The Role of Acculturation in the Body Image Perceptions of Immigrants

Anurag Hingorani, University of Technology Sydney, School of Marketing, Australia*
Lynne Freeman, University of Technology Sydney, School of Marketing, Australia

Consumer Innovativeness and Product Innovation- A study of the relationship in the mobile telephony market

Manasa Nagabhushanam, Assistant Professor, MBA Program, PESIT, Bangalore, India*
Rajendra Nargundkar, Dean, Continuing Education, IFIM, Bangalore, India*

8:03 Competitive Paper: Why We Buy: Developments in Consumer Motivation Research
Room: AC 3 MLT
Chair: Sanjay Putrevu, University at Albany, SUNY, USA

Consumers’ Motivations to shop in Shopping Malls: A Study of Indian Shoppers

Vipul Patel, Faculty in the area of Marketing, V.M.Patel Institute of Management, Ganpat University, Gujarat, India
Mahendra Sharma, Faculty in the area of Marketing, V.M.Patel Institute of Management, Ganpat University, Gujarat, India

The Effects of Informational and Transformational Motivations on Responses toward Celebrity Endorsements

Kenneth Lord, The University of Scranton, USA
Sanjay Putrevu, University at Albany, SUNY, USA

Making Misery More Miserly: Reducing the Sad-Spending Effect

Nitika Garg, University of Mississippi, USA
Jennifer Lerner, Harvard University, USA

8:04 Competitive Paper: Cross-Cultural Examinations in Consumer Behavior
Room: AC 4 MLT
Chair: Jeffrey Blodgett, North Carolina A & T State University, USA

Consumer Comfort and Its Role in Relationship Marketing Outcomes: An Empirical Investigation

Sanjaya S. Gaur, AUT School of Business, Auckland University of Technology (AUT University), New Zealand*
Shilpa Madan, Hindustan Unilever Limited, INDIA.
Yingzi Xu, AUT School of Business, Auckland University of Technology (AUT University), New Zealand*
To Seek Variety or Conformity?: The Role of Culture in Individual's Choice in A Group Setting ............................................ 299
  Song-Oh Yoon, Korea University*
  Kwanho Suk, Korea University
  Seon Min Lee, Korea University
  Eun Young Park, Korea University

The Role of Gender on Turkish Consumers’ Decision-making Styles ........................................................................................... 301
  Bahar Yasin, PhD, Istanbul University-Faculty of Business Administration, Turkey*

8:05 Special Session: Reward Programs & Loyalty Behaviour In The Indian Retail Sector
Room: AC 7 MLT
Chair: Alok Saklani, Apeejay School of Management

Structure & Design of Reward Programs in India .......................................................................................................................... 309
  Praphul Misra, Netcarrots, India*
  Ruchi Malik, Apeejay School of Management, India
  Shilpa Bhaskar, Apeejay School of Management, India

Impact Of Reward Programs On Customer Loyalty ................................................................. 314
  Alok Saklani, Apeejay School of Management, India*

Research Perspectives On Indian Retail Loyalty Programs ........................................................................................................... 318
  Amit Mookerji, indian institute of management-lucknow, india*

8:06 Film Festival: Screening of Winning Films
Room: MAX LT (AC 3)

8:07 Roundtable Session: Hyperwesternization and Asian Consumer Culture
Room: AC 8 BOARD ROOM
Chair: Nikhilesh Dholakia, University of Rhode Island ................................................................. 322

Participants:
  Julien Cayla, Australian Graduate School of Management, Australia
  Rohit Varman, Indian Institute of Management - Calcutta (IIMC), India
  Ruby Dholakia, University of Rhode Island, USA
  Giana Eckhardt, Suffolk University, USA
  Soren Askegaard, University of Southern Denmark, Denmark
  Parthasarathi Banerjee, National Institute of Science, Technology and Development Studies (NISTADS), India
  Russell Belk, York University, Canada

Working Paper

Effects of Tie Strength and Tie Valence on Consumer Word-of-Mouth Communication and Altruistic Intentions ......................... 324
  Joseph Paniculangara, University of Central Florida, USA
  Barney Pacheco, The University of the West Indies, Trinidad

The Effect of Mood on Advertisements Attitude and Recall--Separating Arousal from Valence .................................................. 326
  Kang-Ning Xia, Yuan Ze University
  Yu-Tse Lin, Fu Jen Catholic University*

Managing Brand Relationships: Should Board-rooms Listen to Consumers Choices?............................................................. 328
  Mohammed Nadeem, Associate Professor, Marketing, School Of Business And Management, National University, San Jose, Ca, USA*

The Relationship between consumer guilt and product categories .................................................................................................... 332
  Yu-Tse Lin, Fu Jen Catholic University*
  Kang-Ning Xia, Yuan Ze University
Underdog for all or not? - The homogenous price strategy vs. the heterogeneous price strategy ................................. 333
Jungsil Choi, University of Kansas

Pennies a Day temporal reframing effect in a domain of gain ................................................................. 334
Jungsil Choi, University of Kansas

Decoding Controversial Campaigns: China’s Ad Law and Political Symbols ................................................... 335
Xin Zhao, University of Hawaii at Manoa, U.S.A
Jeff Wang, City University of Hong Kong, China

"We taught the world new ways to dream": The Role of Optimism during First Exposure to a Hedonic or Utilitarian Radical Innovation .................................................................................................... 337
Arjun Chaudhuri, Fairfield University, USA

Consumption relationship: normal - pathological continuum ........................................................................... 339
Stefania Perduca, San Raffaele University, Milan, Italy*
Giovanni Siri, San Raffaele University, Milan, Italy*

Ambiguity Aversion and the Power of Established Brands ............................................................................ 341
A. V. Muthukrishnan, HKUST, Hong Kong, SAR*
Luc Wathieu, ESMT, Berlin, Germany
Alison Jing Xu, HKUST, Hong Kong SAR

The Scented Winds of Change: Conflicting Notions of Modesty and Vanity among Young Qatari and Emirati Women ............................................................................................................. 342
Rana Sobh, Qatar University, Qatar*
Russell Belk, York University, Canada
Justin Gressel, American University of Sharjah, UAE

Would Kiranas in Urban India Survive the Modern Trade Onslaught? An Insight from Efficiency Perspective ...................... 344
Paromita Goswami, Xavier Institute of Management, Bhubaneswar, India*
Mridula Mishra, ICFAI Business School, Kolkata, India*

"Trust" in Customer Relationship: Addressing the Impediments in Research ................................................... 346
Joffi Thomas, India*

Increasing Effectiveness of Charitable Mail Solicitations Using Negative Emotions ........................................... 350
Vivek Patil, Gonzaga University, USA*
Surendra Singh, University of Kansas, USA
Sanjay Mishra, University of Kansas, USA

The Commodification of Culture: An Analysis of the Samoan Handicrafts Market .............................................. 352
Jessica Lucas, Austin College, USA*

Factors Responsible for the Small and Medium Scale Indian IT Entrepreneur’s Ability to Deliver Superior Customer Value: A Conceptual Framework ................................................................. 354
Ravi Bhat, Unitech School of Business, Unitec Institute of Technology, NEW ZEALAND*
Sanjaya S. Gaur, AUT School of Business, Auckland University of Technology (AUT University), NEW ZEALAND

The Costs and Benefits of Temptation in Consumer Choice ............................................................................. 356
Ravi Dhar, Yale University, USA*
Klaus Wertenbroch, INSEAD Europe Campus, France*

The Incidence of Scanner Fraud at the Grocery Checkout: Does Anyone Care? .................................................. 357
Paul Pickering, AUT School of Business, Auckland University of Technology (AUT University), NEW ZEALAND*
Sanjaya S. Gaur, AUT School of Business, Auckland University of Technology (AUT University), NEW ZEALAND

A Communication-based Branding Model for Building Retail Service Brand Loyalty ........................................ 359
Kuan-Yin Lee, Central Taiwan University of Science and Technology*
Yin-Chieh Hsu, National of Kaohsiung First University of Science and Technology

Impact of retail on the Indian consumer ........................................................................................................... 361
Vinita Choudhari, India*
Rumilla Lobo,
Do Retailers Know How Customers Value Brands? ........................................................................................................................ 362
Joshy Joseph, Indian Institute of Technology Madras, India.*
Bharadhwaj Sivakumaran, Indian Institute of Technology Madras, India.

The Dynamic Link between Satisfaction and Experience: Honeymooners, Disgruntled Midterms, and the Experienced Veterans Tilottama G. Chowdhury, Quinnipiac University, USA* ............................................................ 363
Abhik Roy, Quinnipiac University, USA*
Soumitra Ghose, University of Miami, USA*

Introducing International Brands in Emerging Markets Sanjay Ghose, University of Wisconsin-Milwaukee, USA
Oded Lowengart, Ben-Gurion University of the Negev, Israel*

The Emergence of Internet Shopping in India: Identification of Shopping Orientation-Defined Segments Mahesh Rajan, San Jose State University, USA*
Ken Gehrt, San Jose State University, USA
Shainesh G, Indian Institute of Management-Bangalore, India*
Matt O’Brien, Bradley University, USA
Therese Louie, San Jose State University, USA

Aysen Bakir, Illinois State University
Donna Hill, Bradley University

Examining Between Group Differences in Consumer Research: Are we Identifying False Positives and False Negatives? Subhash Sharma, Moore School of Business, University of South Carolina, USA*
Srinivas Durvasula, Marquette University, USA*

Interaction of banner ad and sponsorship in online advertising: The impact on attitudes and purchase intention Chatt Pongpatipat, Old Dominion University, USA
Mahesh Gopinath, Old Dominion University, USA*

Red Squares and Blue Circles: How Color Influences Processing of Price Information Rajesh Chandrashekar, Fairleigh Dickinson University, USA*
Rajneesh Suri, Drexel University, USA
Dhruv Grewal, Babson College, USA
Nancy Upton, Northeastern University

The Role of Emotions and Relationship quality in Service Failure and Recovery Maureen Muller-Kahle, Old Dominion University, USA
Mahesh Gopinath, Old Dominion University, USA*

Consumer Ethical Identity: The Role of Personal Values in the Service Encounter Sarah Mady, Old Dominion University, USA
Mahesh Gopinath, Old Dominion University, USA*

Asymmetric Consumer Responses to National Brand and Private Label Brand Scandals J.M. Mayer, University of Georgia, USA
Piyush Kumar, University of Georgia, USA*

The Role of Dorsolateral Prefrontal Cortex for Decision Value Computations: First Evidence from Transcranial Magnetic Stimulation and functional Magnetic Resonance Imaging Hilke Plassmann, INSEAD/California Institute of Technology*
Mickael Camus, California Institute of Technology
Neil Halelamien, California Institute of Technology
Colin Camerer, California Institute of Technology
Shin Shimojo, California Institute of Technology
John O’Doherty, California Institute of Technology
Antonio Rangel, California Institute of Technology

xxii
Framing Interacts With Political Affiliation to Predict Environmentally-Relevant Purchase Preferences .......................................................... 379
David Hardisty, Columbia University
Eric Johnson, Columbia University*
Elke Weber, Columbia University

The Impact of Culture on Product Evaluations: A Dialectical Perspective ........................................................................................................ 381
Yoshiko DeMotta, Baruch College, CUNY, USA*
Mike Chen-ho Chao, Baruch College, CUNY, USA*
Thomas Kramer, Baruch College, CUNY, USA

Global Advertising Standardization in Japan and the United States: A Closer Examination of High-involvement Products ....................................................................................................................... 382
Melina Young, Jay Ray Advertising, USA
Eugene Sivadas, University of Washington, Tacoma*

The Impact of Meaningless Differentiation on Inaction Inertia ....................................................................................................................... 384
Piyush Kumar, University of Georgia, USA*

The Effect of Cross-Group contact on Consumer Response to Advertisements .......................................................................................... 385
Sonya Grier, American University, USA*
Rohit Deshpande, Harvard University, USA

How is satisfaction affected by spending time having fun vs. spending time in boredom? ................................................................. 387
Chunyan Xie, Stord/Haugesund University College*
Sigurd Troye, Norwegian school of economics and business administration*
Perceived Price Fairness: The Role of Other Marketplace Players
Mark Ratchford, University of Colorado at Boulder
Atanu R. Sinha, University of Colorado at Boulder

ABSTRACT
This research attempts to provide new insights into consumer price fairness perceptions by considering several marketplace settings. In particular, comparisons are drawn between firm fairness perceptions in a monopoly situation versus under competition. We also consider the impact of the presence of independent channel intermediaries on fairness attributions. It is found that a price increase by a monopolist is deemed fairer than that of a firm in a competitive situation. Additionally, in the absence of a specific causal attribution, retailers are more often perceived to be unfair than manufacturers given a price increase.

Imagine that you drive over to the local Conoco gas station to buy gas for your car. You notice that the price of gas has increased by $1 per gallon over the past few months, which seems an unfair increase. Who do you blame for the “unfair” increase? The Conoco station? Another industry player? If the Conoco station is to blame, is your perception of the fairness of the price increase affected by whether the station is a local monopolist or has many area competitors?

The notion of fairness, defined as a judgment of whether an outcome and/or the process to reach an outcome are reasonable, acceptable, or just (e.g., Bolton, Warlop & Alba 2003; Xia, Monroe & Cox 2004), has attracted a good deal of research attention over the past two decades. Several researchers, starting with Kahneman, Knetisch, and Thaler (1986; hereafter KKT), have attempted to depict the effect of different pricing actions by firms given various market conditions to determine which actions are considered fair (unfair) by consumers. The present paper considers additional important contextual factors that are likely to impact consumer price fairness perceptions.

We first investigate whether the nature of competition in a retail market affects buyer fairness perceptions. Do consumers perceive the pricing actions of monopolists to be more or less fair than the actions of firms with many competitors? Okun (1981) brought forth the idea that fairness may alter the outcomes in customer markets when suppliers are perceived as making their own pricing decisions and having market power, and consumers repeat business with the supplier. Yet, much of the prior behavioral pricing fairness work is silent on how the nature of competition in a market, as an expression of market power, impacts consumer price fairness perceptions. Second, in a typical marketplace setting, pricing decisions are affected by the independent actions of multiple channel intermediaries such as manufacturers, distributors, and retailers. Prior pricing fairness research tends to consider consumer perceptions of the pricing actions of “the firm,” with the unstated assumption that all unfairness attributions are pointed at the seller (as “the firm”). Thus, we attempt to identify when and under what circumstances particular channel members are held responsible for the perceived fairness (unfairness) of a pricing action.

While perceptions of price fairness have received considerable research attention, the issues raised by prior researchers have not been embedded in these typical competitive and channelized marketplace scenarios. It is important to consider these contextual factors, not only because of the typicality of the buying situation consumers face, but also because of the potentially different implications for managing consumers’ price perceptions for the manufacturer and for the retailer.

Employing a battery of scenario-based studies, several interesting results emerge. First, participants generally find it fairer for a monopolist retailer to increase the price of a product given a wholesale price increase than they do for a retailer in a competitive market (M_monop = 4.68, M_compet = 5.12, F = 8.93, p = .0032). Second, findings suggest that given a cost decrease, the price participants deem “fair” is higher for a monopolist retailer than for a retailer with many competitors (M_monop = 180.29, M_compet = 186.44, F = 3.13, p =.078). Participants think it is fairer for the monopolist to charge more given a cost decrease, presumably because they expect monopolists to take advantage of market power and think it fair for them to do so. Indeed, we find some support (M_monop = 8.93, M_compet = 4.80, p = .0085) that a monopolist is given more latitude about the range of prices which is deemed fair, relative to a firm in a competitive situation (M_monop = 9.30, M_compet = 6.91, F = 8.93, p = .0032). Second, in a competitive situation, while the manufacturer avoids such an attribution.

In the channel context, a scenario based study in which three market condition levels (demand, supply and cost) are employed provides further insight. Using overall perception toward price increase as the d.v., a significant main effect of market condition is shown (M_demand = 5.00, M_supply = 3.76, M_cost = 3.95, F = 5.06, p = .0092). Now, using perception of manufacturer as the d.v., no significance is observed (M_cost, many = 3.81, M_cost, one = 3.33, M_cost, many = 4.00, F = 1.83, p = .1692), while using perception of retailer as the d.v., significance is obtained (M_demand, many = 4.86, M_demand, one = 3.76, M_demand, many = 3.91, F = 3.34, p = .0421). Combining these analyses suggests that the retailer is perceived as more unfair in the demand increase condition, while the manufacturer avoids such an attribution. Considering the presence of channel intermediaries produces outcomes that yield fewer unfairness perceptions aimed at manufacturers compared to retailers, thus giving the former some pricing protection against consumer judgments. This result preliminarily offers further justification for the use of a downstream channel member to sell to consumers.

There are several gaps in this research at present. Some of these include how consumer preference for retailers changes by engendering fairness, and examining critically the relative impacts of each channel member on consumers’ overall perception of fairness / unfairness.

REFERENCES
Getting what they don’t necessarily deserve: The role of fairness in the experience of schadenfreude

Ethan Pancer, Queen's School of Business, Queen's University, Canada
Laurence Ashworth, Queen's School of Business, Queen's University, Canada

ABSTRACT

This paper examines the roles of fairness and psychological closeness to a target on the experience of schadenfreude – taking pleasure in the suffering of another. In a consumption-related context, we examined consumers’ emotional reaction to the downfall of another’s product. Prior research has focused on the link between envy and schadenfreude and on the perceived deservingness of the misfortune. In contrast to this work, we focus on the perceived deservingness or fairness of the initial product ownership. Our findings suggest that schadenfreude can stem from both the removal (via product downfall) of an unfair situation as well as the removal of a product that inspires envy. Unexpectedly, psychologically closeness to the product owner did not enhance schadenfreude, perhaps due to an increase in conflicting emotions.

EXTENDED ABSTRACT

This paper examines antecedents to the experience of schadenfreude – taking pleasure in the suffering of another person. Specifically, we examine circumstances that cause one consumer’s product failure to inspire positive emotions in another consumer. Prior research on schadenfreude has shown that product failure can lead to positive emotions in other consumers (e.g., Brigham et al. 1997). However, this work has not fully delineated the underlying mechanisms and, consequently, established the nature of conditions that moderate this basic effect. The current work represents an initial attempt to explore some of these basic mechanisms. Specifically, we examine the role of fairness and social comparison in the experience of schadenfreude.

Research in marketing on fairness suggests that consumers frequently make comparisons to the outcomes of other consumers (e.g., comparisons to prices paid by other customers for the same or similar products). Differences in outcomes that cannot be explained by factors that consumers consider relevant (e.g., loyalty) lead to perceptions of unfairness that typically lower satisfaction and can inspire a variety of other negative reactions. Although there are potentially a variety of circumstances that could reduce such unfairness, one circumstance that seems particularly relevant to schadenfreude is a reduction in the comparison consumer’s outcome, such as product failure, that reduces perceived inequality. Accordingly, the positive emotions experienced from another’s product failure should increase as a function of the initial inequity. We examine this by manipulating the extent to which consumers perceive another consumer to be deserving of a particular outcome – in this case, the extent to which they desire to own the product in the first place – and then examining the consequence of an unfortunate product mishap.

We should note that prior research on schadenfreude has examined deservingness as it pertains to the misfortune itself (i.e., was the other person’s fate/outcome warranted?). The results here have been mixed. On the one hand, research has shown that schadenfreude is enhanced when individuals seem to get what was “coming to them” – that is, when their outcome was considered deserved (Feather 1999). Brigham et al. (1997), however, found that the perceived deservingness of a misfortune had little impact on their measures of schadenfreude. In contrast to this line of inquiry, our research examines the effect of the perceived deservingness of the initial outcome (i.e., product ownership in a consumer context) – as an equity-based perspective (Adams, 1965) would suggest is important – rather than the deservingness of the misfortune that befalls the owner.

We also examine the influence of psychological closeness as a moderator of schadenfreude. Closeness is an important variable across a variety of social comparison theories (e.g., Adam’s Equity Theory (1965); Festinger’s Social Comparison Theory (1954); Tesser and Campbell’s Self-Evaluation Maintenance Model (1982); etc.). Although we do not believe that social comparison is necessary for the experience of schadenfreude, schadenfreude does share with social comparison theories a reaction to another individual’s experience. As such, we expect the closeness of the relationship to be an important moderator of the events that lead to the experience of schadenfreude. Specifically, we expect that schadenfreude is most likely to occur when individuals perceive themselves to be close to the ill-fated individual. We should also note that such situations are likely also to increase conflicting emotions, not just positive ones. Conflicting emotions are inherent to the experience of schadenfreude: individuals likely experience both positive emotions, based in part on inequity reduction, and negative emotions, based on sympathetic and empathetic tendencies. Both reactions are likely exacerbated by psychological closeness.

An initial study sought to investigate the effects of perceived deservingness of product ownership and psychological closeness on the experience of schadenfreude. We also manipulated perceived desirability of the product to examine whether schadenfreude was mitigated by products that are simply less attractive in the first place. Two-hundred and fifty-three students were randomly assigned in a 2 x 2 (Deservingness of others’ product: desired (other student bought own car) vs. undeserved (other students’ parent bought car)) x 2 (Psychological Closeness: close university friend vs. university acquaintance) between-subjects factorial design. Participants were informed that a close university friend/university acquaintance recently received a new/used car, purchased by themselves/their parents. Participants later discovered that their friend/acquaintance had been in an accident and had written off the car. Fortunately, the car owner was unharmed. Participants’ affective reactions were collected both prior to and after the accident.

Consistent with expectations, participants felt the car was more deserved when purchased by the owner than by the owner’s parents (Ms = 5.92 vs. 4.24; F(1, 245) = 102.56, p < .001). Importantly, this had no impact on the perceived deservingness of the misfortune (p > .10). Schadenfreude (as measured by the extent to which participants’ indicated they were pleased and glad (r = .86, p < .001) upon news of the accident) was higher when the parent-bought car was damaged versus the student-bought car (Ms = 2.00 vs. 1.63; F(1, 227) = 5.11, p < .05). This effect was fully mediated by the extent to which the product was perceived to be desired. Contrary to our predictions, the experience of schadenfreude appeared to be unaffected by psychological closeness (F < 1). An examination of participants’ negative affective responses did, however, show heightened negative affect (as measured by the extent to which participants felt bad and sad (r = .69, p < .001) about the damaged product) when it was a
close friend who suffered the loss ($M_s = 4.92$ vs. $4.35$; $F(1, 227) = 7.30, p < .01$), consistent with the notion that closeness is likely to exacerbate conflicting emotions. Finally, similar to other investigations of schadenfreude (Sundie et al., 2008), participants experienced more schadenfreude when the damage occurred to the more desirable product ($M_s = 2.03$ vs. $1.59$; $F(1, 227) = 7.11, p < .01$). Preliminary evidence suggests that this effect may stem from initial envy of the product rather than perceptions of a lack of deservingness.

This study provided a conceptual replication of prior findings (Sundie et al., 2008), which suggest that schadenfreude can be triggered by the downfall of another’s product. While the literature on schadenfreude has consistently emphasized the strong link between envy and malicious joy, our research suggests that schadenfreude may also stem from a perceived lack of deservingness of product ownership. In both cases, the underlying theme is that the other persons’ misfortune helps reduce an invidious comparison, whether that comparison is founded on envy or inequity. There appeared to be some evidence that schadenfreude may be tempered, rather than enhanced, by psychological closeness. However, it is possible that this result was due to the experience of conflicting emotions rather than a reduction in schadenfreude per se. Studying schadenfreude outside of a scenario context may shed some light on this distinction.

REFERENCES
Consumers’ Reluctance to use Windfall Gains to offset Opportunity Losses
Subimal Chatterjee, SUNY at Binghamton, USA
Timothy B. Heath, Miami University, USA
Magdoleen Ierlan, SUNY at Binghamton, USA
Napatporn Jiraporn, SUNY at Binghamton, USA

EXTENDED ABSTRACT
Imagine that you want to buy a Godiva chocolate basket that retails for $100. A local confectionary store offers a limited time 50% off sale on all Godiva brands, but, for various reasons, you miss the sale. Once you have missed the sale, it is quite likely that you will not like to buy the chocolates at the regular $100 price, at least not yet. Now suppose, quite unexpectedly, you win $50 in a lottery. Would you still be reluctant to buy the chocolates at the regular price now that you can use the windfall money and pay $50 out of pocket? Alternatively, suppose you have a second, somewhat less attractive, opportunity to buy the chocolates at $25 off the list price. Would this opportunity (spending $75 out of pocket) be more attractive than buying the chocolates with the $50 windfall gain and less money ($50) out of pocket?

Our paper investigates how consumers use windfall gains to offset past missed opportunities. Although consumers tag windfall gains as free money to spend any way they wish to, we find that consumers are quite reluctant to use the windfall gain to offset missed opportunities even when doing so might make monetary sense. For example, a $50 off sale on a $100 chocolate basket implies that consumers have to spend $50 out of pocket. If consumers miss the sale, but subsequently get a $50 windfall gain, the out of pocket money they have to spend now is the same as before (i.e., how much they would have spent had they not missed the sale). However, when the consumers at the regular $100 price, at least not just yet. Now suppose, quite unexpectedly, you give them the wrong date for the one-day sale), they are somewhat blame for missing the prior opportunity (for example, a friend gave them the wrong date for the one-day sale), they are somewhat more likely to use the windfall gain to offset the opportunity loss. The feelings about missing the first opportunity is not so negative if consumers feel that they are, somehow, not responsible for missing that opportunity.

Are the results comparable to the results obtained in the studies of inaction inertia (Tykocinski, Pittman, and Tuttle, 1995)? To understand the inaction inertia effect, imagine that you have missed at $50 off sale on a $100 box of chocolates, and subsequently get the chance to buy the same box of chocolates at $25 off the list price of $100. The traditional inaction inertia research suggests that, consumers missing the $50 off sale would be reluctant to take advantage of the second $25 off sale, compared to consumers who did not have a prior opportunity to save $50. The comparison we make, however, is different from the traditional inaction inertia studies. We ask if the second $25 off sale is more attractive than using a windfall gain of $25 (or $50, or $75) to buy the chocolates at the regular $100 price (thus spending $75, $50, or $25 out of pocket money). We show that the undesirability of paying the full price (although spending less out of pocket) makes using the windfall gains less attractive relative to the $25 off sale. In that sense, our findings suggest a limiting condition for the inaction inertia effect.

REFERENCE


ABSTRACT

Online shopping is most common these days in the developed world especially in the USA. Though rapidly rising, online shopping in the developing countries particularly in India is yet to become strong and diversified. The theme hasn’t been researched strongly either. Towards researching the emerging profile and indentifying differences between the American and Indian online shoppers, this study reports a survey and several other empirical tests. The study reveals a huge potential for converting Indian in-store consumers into online buyers. This study should facilitate retailers and brands in expanding their presence and impact though online portals.

The Online Context in India

According to the latest report on the Internet in India [I Cube Report, 2007] published jointly by the Internet & Mobile Association of India (AIMAI) and IMRB International, the number of internet users in India reached forty six millions in September 2007 and recording a rise of 40% over September 2006. Out of them, the number of active internet users was 32 million and maximum percentage of users was in the age bracket of 18-24 years. Active internet users were defined as those who have accessed the internet at least once a month.

The number of online shoppers, a subset of internet users in India, too is growing as rapidly. The same IAMAI report puts the total online transactions at Rs. 7,080 crores (approx $1.75 billion) in 2007-08.The business is forecast to grow by 30% to touch Rs, 9,210 crores (approx $2.15 billion) by 2007-08 (Source: http://trak.in/tags/business/2007/10/09/india-online-ecommerce-report). The trend is validated by Assocham New Delhi- the apex trade body in India, which estimated online shopping in India at Rs.5,500 crores ($1.35 billion) in 2007-08 (Source: http://trak.in/tags/business/2007/10/09/india-online-ecommerce-report).

The Challenges

In this era, where Information Technology has penetrated deep into the lives of the common people, e-shopping forms an important means of trade. The internet revolution has brought a paradigm shift in the way things are done. The key to success is how well we integrate this medium in our business model (IAMAI Report, 2005). At the same time e-shopping presents several problems irrespective of the product type. The most pervasive challenge is the transaction security (information disclosure) and privacy and issues which were found to be significant obstacles to the adoption of online banking (Chen & Barnes, 2007). Information disclosure refers to the dissemination of information about the goods/ service, business (contact number, registration status) and transaction processes, including delivery, payment, warranty, refund, exchange and return. Security refers to the provision of a secure system for data and payment online. Privacy includes the collection, use and storage of personal and financial details in a confidential manner (Ha & Coghill, 2008).

Furthermore, this anxiety over security issues is aggravated by the lack of awareness amongst the people about the security norms of e-transactions. Such frauds are called identity thefts and account for 32 percent of total complaints by the American consumers as reported by the Federal Trade Commission (Lopes, 2008). According to a survey by PayPal Inc. and Jupiter Research LLC, sixty-two percent of respondents said they feel more secure shopping online if they do not have to type in their credit card information, and seventeen percent said they specifically look for sites that accept PayPal and other reliable means. Without such security, the interests of the merchant, the consumer, and the credit or economic institution cannot be served. Privacy of transactions, and authentication of all parties, is important for achieving the level of trust that will allow such e-transactions to flourish. However, it is important that the encryption algorithms and key-sizes used will be robust enough to prevent observation by hostile entities and criminals (Reilly, Online Article).

Another deterrent in the success of e- shopping is late and poor delivery systems. A good number of complaints are lodged against slow, inefficient delivery where many consumers have received dysfunctional products. Many of them failed to receive their order in spite of having made their payments. Redress system is also a vital issue; Redress refers to the provision and

We would like to thank Dr Ayushi Gupta (ayushi.gupta@jiit.ac.in) and Prof. Suresh Sanappu for their useful insights in conceptualizing the model used in the paper and draw useful implications from it.

Emerging Profile of Online Apparel Shoppers in India and Comparison with the US Online shoppers: A Few Marketing Implications

Dr. Mohan Agrawal, Jaypee Business School
Vidushi Sandhir, Jaypee Institute of Information Technology
Gaurav Gupta, Delhi College of Engineering

The rise in online shopping is not just for consumer market. The Government is another rising user of the online buying under the overall theme of e-commerce. A series of initiatives from the government, public sector banks and Indian Railways embracing the Net, have helped boost the confidence of users to trade online in this sector as well.

Online spending is largely skewed towards travel e-commerce. As much as Rs.7000 crores out of the total Rs.9210 crores (76% of the total) is expected to be spent on online purchase related to air tickets/Railways / Bus etc The segment is forecast to will grow 65% annually, making it a vertical experiencing the most exponential online growth.

We would like to thank Dr Ayushi Gupta (ayushi.gupta@jiit.ac.in) and Prof. Suresh Sanappu for their useful insights in conceptualizing the model used in the paper and draw useful implications from it.

Advances in Consumer Research (Volume VIII), © 2009
implementation of internal complaint handling systems and external services to resolve disputes. If consumers are not happy with solutions provided by e-retailers, and they cannot communicate to the e-retailers their complaints then this situation will have a damaging impact on the e-consumer’s trust and loyalty towards e-shopping.

Given below are some statistics (international), produced by econsumer.gov and released by the Federal Trade Commission in 2007 based on the consumer complaints received in the duration January 1- June 30 2007.

**FIGURE I**

E-Consumer Complaints  
January 1 - June 30, 2007

This clearly shows that maximum violations were related to catalogue sales (45%) while others such as e-purchase of cars, clothing, and electronic items constituted 17%. Country wise research put United States, Canada and United Kingdom as the top three company locations against which complaints had been lodged. This data proves that problems like unsatisfactory service delivery are not confined to a particular region but are generic to e-marketing anywhere in the globe.

These background details have been talked about in detail in this study which actually mainly revolves around India to illustrate certain generic limitations of e-shopping which are applied to India as well and will aid in our comparative analysis of e-shopping scenario in India and abroad.

The Federal Trade Commission also released data of various types of violations which clearly brings out that the top violations are poor/no merchandise or service delivery.

**Figure II**

Econsumer Complaints  
Top Violations  
January 1 - June 30, 2007

An additional shortcoming of e-shopping is the lack of consumer central experience as is felt in brick and mortar stores. This is an important factor for Indian e-consumers who are partial to their family stores and crowded shopping streets as it gives them a distinctive shopping experience which online shopping cannot match. But when weighed against the advantages of online shopping it does not come out as a vital reason.

Having talked about the limitations of e-shopping, we discuss here the advantages. A key advantage of e-shopping is saving time. People nowadays find it easier shopping online, as the products get home-delivered coupled with the facility to shop 24x7. Convenience appears to be a big attraction as most online shoppers find the crowded high streets too stressful (Bhattcharjee, 2007). We have proved these results empirically in the later parts of this study. Online shopping is a big attraction for the NRIs, the apparel and gifting business online has maximum NRI consumers.

The results of various surveys suggest that online shoppers who had encountered problems were more likely to continue purchasing via the Internet than online shoppers who had not encountered any problems. This suggests that respondents feel that the benefits offered by online shopping outweigh the risks (Ha & Coghill, 2008).

Compared to countries like United Kingdom, United States, Australia, Canada and others, India is still in its nascent stage of e-shopping. Though online shopping has witnessed growth in India but it is still not pervasive like the West and the growth is also limited to certain areas like online travel booking and perhaps stock trading (which actually is not pure e-commerce). The main reason why shoppers in India are not willing to shop online is that they don’t get any real value or incentive (Bhattacharjee, 2007). Also they are wary about fraud, delivery and consumer service and their fears are not imaginary. These problems are generic to all the services offered online such as travel, gifts and classifieds.

We have narrowed down our research to the Indian apparel industry and have provided a conceptual model which might help certain brands in launching their online shopping portals. The psychology related to online shopping for clothing is poles apart in India and the United States (which we have considered to be the representative of e-shopping abroad). The main hindrance in creating an online clothing market is the need for consumers to ‘touch and feel’ and examine the clothing’s ‘fit and size’ (Gupta, 2008). Even though websites may make efforts to be as descriptive as possible but if the mindset and psychology of Indians is not revolutionized, the apparel e-market can never be as successful as in the West. There are two types of e-marketers, whole and partial. The ones who belong to the category of whole are not into in-store shopping business and are engaged in e-business only, such as eBay, Sastashopping. The partial e-marketers are those who have both an e-consumer base and a non e-consumer consumer base such as, Future Bazaar, Pantaloons, Sifymall and many more. Leading retail stores such as Globus, Shoppers Stop have nil e-consumer base as they believe that the odds against the success of e-shopping of apparel in India are high.

In developed nations e-consumers purchase all kinds of items, from travel related to clothing to gifts. Unlike Indians, their shopping portfolios are not limited to electronic goods and travel (empirical results to prove the same are provided in the later part of the paper).

**Apparel Shopping in India**

Taking the cue from the rising online shopping in India, several major retailers like Reliance Retail and Future Group (Pantaloons) are building up significant online presence in parallel...
to their in-store or physical store formats a la mode the highly successful online-offline model of Wal-Mart. For instance, the online sale of Wal-Mart is growing faster than the sale of eBay and Amazon which are the pure online retailers. The same is expected of many retailers like Reliance and Future Group given their ambitious growth plans and financial muscle in setting up online channel to tap the fast growing e-commerce pie.

However it is not roses all the way. Many major retailers such as Shoppers Stop, Globus are still focused on in-store consumers as they have not succeeded much with the online model so far. Pantaloons has only a small e-consumer base while Shoppers Stop and Globus have little or no e-consumer base. It shows huge transition challenges, traditional mindsets of Indian shoppers and many more as possible impediments in setting up their online shopping portals. Another possible reason is the critical size the internet users must reach in India before apparel buying can be a popular medium. According to Fabmall’s CEO K Vaitheeswaran, “The internet penetration has to be first increased which is expected to reach 100 million in the next two years. The industry is growing at the rate of 30-40 per cent year-on-year and there is huge potential for all brands”.

The Study

Many studies have been undertaken debating the pros and cons of e-shopping but none has focused specially on apparel buying online in the Indian e-market. As the internet users are increasing in the nation so is the awareness about e-shopping. Even though there is substantial e-shopping in the domain of travel/movie bookings, electronic items, but the area of online apparel shopping in India is underdeveloped and not studied well. Brands like Pantaloons and Big Bazaar are in the process of continually improving their online shopping portals and might pave the way for other retail brands who have not yet explored the e-shopping domain. Thus this research has opened up a topic which has not been debated as yet and might help strengthen some retailer’s belief in the success of online apparel shopping in India.

In view of the above, our study covers the following:

- The challenges facing online shopping, especially Indian online apparel shopping and their proposed solutions
- Comparative analysis highlighting the wide disparity in the online shopping culture in India and USA
- Learning from the USA online shopping business
- Conceptual model and recommendations for the marketers planning to start/upscale online portals

Several hypotheses have been taken for the same, which have been tested empirically. The hypotheses provide suggestions to brands to help them in planning to launch their online portals.

As the issue deals with online shopping so online survey was considered the best strategy to understand the behavior, preferences and psychology of online buyers. This survey was posted on various online communities in India and abroad. The questionnaire was framed keeping in mind certain hypotheses. Wherever found appropriate a comparison has been drawn with the online market abroad. To compare the e shopping behaviors in India and abroad, USA was taken as being representative of e consumer trends abroad. The survey was posted to maximum students of Duke University, North Carolina. Two hundred responses were received out of which seventy one percent or one hundred forty three were found usable.

A pre-test of the questionnaires was carried out involving 10 adult consumers, the questionnaires were modified according to the feedback of the respondents. The careful and rigorous pilot test increased the reliability of the survey. The web-based survey required each respondent to answer every compulsory question before proceeding to the next to complete the questionnaire. Therefore, there were no missing data in this study (Saunders, 2003). Also, participants did not reveal their identity when completing the questionnaire. The anonymity of respondents improves the reliability of data collected (Mehta & Sivadas, 2003).

Certain interview sessions were also held with the marketing heads of leading retail stores.

The survey questions ranged from demographic questions to generic questions regarding e-shopping. A special set of questions focusing on online apparel shopping was designed. A comments column was created inviting views about the topic being covered and suggestions on improving the survey. The survey met with a positive response and people were satisfied with the quality of the questions. Pie charts, bar graphs have been used to depict the data pictorially for better understanding.

The options of the survey questions were given certain weights which were then used in various statistical calculations like mean, standard deviation, variance and correlations. Care was taken while assigning different questions the weight so that there is no error in the interpretation of the results.

Findings

Sample Profile

70 people from India and 73 from United States filled the questionnaire accurately. The demography of the correspondents is as shown in the table.

<table>
<thead>
<tr>
<th></th>
<th>INDIA</th>
<th></th>
<th>USA</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>62.8 %</td>
<td></td>
<td>Female</td>
<td>56.7 %</td>
</tr>
<tr>
<td>Female</td>
<td>37.1 %</td>
<td></td>
<td></td>
<td>43.2 %</td>
</tr>
<tr>
<td><strong>Age Group</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24</td>
<td>78.5%</td>
<td></td>
<td>18-24</td>
<td>66.2%</td>
</tr>
<tr>
<td>25-34</td>
<td>12.8%</td>
<td></td>
<td>25-34</td>
<td>27.0%</td>
</tr>
<tr>
<td>35-44</td>
<td>4.28%</td>
<td></td>
<td>35-44</td>
<td>2.7%</td>
</tr>
<tr>
<td>45-54</td>
<td>2.85%</td>
<td></td>
<td>45-54</td>
<td>2.7%</td>
</tr>
<tr>
<td>&gt;55</td>
<td>1.42%</td>
<td></td>
<td>&gt;55</td>
<td>1.35%</td>
</tr>
<tr>
<td><strong>Usage of Internet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Everyday</td>
<td>95.7%</td>
<td></td>
<td>Everyday</td>
<td>98.6%</td>
</tr>
<tr>
<td>2-4 times /week</td>
<td>4.28%</td>
<td></td>
<td>2-4 times /week</td>
<td>1.35%</td>
</tr>
<tr>
<td>&lt;2 times /week</td>
<td>0.0%</td>
<td></td>
<td>&lt;2 times /week</td>
<td>0.0%</td>
</tr>
<tr>
<td>Almost Never</td>
<td>0.0%</td>
<td></td>
<td>Almost Never</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Table I – Demographic Details of the sample taken
The data shows that 95.7% of respondents from India and 98.6% from USA access internet daily. This shows that the respondents would have had no problem in using a computer and searching the internet. 62.8% of Indian respondents were males, 37.1% females whereas, 56.7% of respondents from USA were males and 43.2% females. Thus there was not much gender disparity and almost both the genders participated almost equally in the survey.

Out of Indian respondents, 1.42% were above 55 years of age, 2.85% were between 45-54 years, and followed by 4.28% of 35-44 yrs. 12.8% of respondents were 25-34 yrs and majority were 18-24 yrs comprising 78.5%. Similarly, from USA, majority were 18-24 yrs comprising 66.2% followed by 27% being 25-34 yrs, 2.7% were 35-44yrs, 2.7% again were 45-54yrs and minimum participation was 1.35% of people above 55 yrs. This indicates that the respondents were mature enough to make independent decisions about purchasing items online and to have some knowledge about issues and policies associated with e-retailing (Ha & Coghill, 2008).

Depicted below are the graphical representations of the findings from the sample data clearly exhibiting the disparity in online shopping between India and USA.

### A. Age group

#### India
- 18-24 years: 78.5%
- 25-34 years: 12.8%
- 35-44 years: 4.28%
- 45-54 years: 2.85%
- >55 years: 1.42%

#### USA
- 18-24 years: 66.2%
- 25-34 years: 27.0%
- 35-44 years: 2.70%
- 45-54 years: 2.70%
- >55 years: 1.35%

### B. Internet usage

#### India
- Access internet daily: 95.7%
- Access internet daily: 4.28%

#### USA
- Access internet daily: 98.6%
- Access internet daily: 1.35%
C. Frequency of Online Shopping (in past 1 year)

- A. Every Day
- B. 2-4 Times a week
- C. More than 20 times
- D. 10-20 times
- E. 6-10 times
- F. 2-5 times
- G. Just Once
- H. Never

D. Bought Apparel online

- A. Have never bought and will not buy in future
- B. Have never bought but might buy in future
- C. Have never bought but will certainly buy in future
- D. Have bought but will never buy in future
- E. Have bought and will certainly buy in future
Several hypotheses have been taken, to prove which evidence in the form of empirical results are provided. Some of the hypotheses concern the problems generic to all product types in online marketing, while other hypotheses have been framed specifically for the online apparel market.

**Data Analysis and conclusions**

**H1: There is a wide disparity in the penetration of e-marketing in India and USA**

This is evident from the facts and figures obtained from the survey. In India only 5.71% respondents claimed to have shopped online more than twenty times in the last few years while 45.7% had never shopped online. While in USA, 31% of the respondents asserted having shopped more than twenty times and a mere 1.35% had never availed of the e-shopping provision. Exploiting this fact, we have explored a few dissimilarities between the Indian and American online market in an attempt to list a few possible recommendations inspired from the success of American online market. This refers to both generic and specific (Apparels) products.

**H2: Security is a bigger deterrent for Indians than Americans in online shopping**

The concept of shopping on the internet has just started to gain momentum in India owing to which there is a lack of awareness amongst the masses in matters of security. This ignorance breeds fear of online transactions and discourages online trading. Many consumers are wary of the repercussions of disclosing their credit card numbers unless they totally trust the site. Some consumers do have partial information regarding the threats proffered by internet transactions but their incomplete knowledge also produces adverse results. They might be aware of unsafe advertisements but their limited knowledge will make them

<table>
<thead>
<tr>
<th>TABLE II</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATEMENTS</td>
<td>INDIA</td>
</tr>
<tr>
<td>a. Frequency of online shopping</td>
<td></td>
</tr>
<tr>
<td>b. The security concerns in online shopping are grave</td>
<td>0.00573</td>
</tr>
<tr>
<td>a. I will/do buy apparel online</td>
<td></td>
</tr>
<tr>
<td>b. There is a need to try out the clothes for proper fitting, color judgment and feel of fabric that makes online buying not very convenient</td>
<td>0.33221</td>
</tr>
<tr>
<td>a. Need to try out the clothes for proper fitting, color judgment and feel of fabric that makes online buying not very convenient</td>
<td></td>
</tr>
<tr>
<td>b. Description of clothes on the websites</td>
<td>-0.49214</td>
</tr>
<tr>
<td>a. Frequency Of Online Shopping( in last 1 year)</td>
<td></td>
</tr>
<tr>
<td>b. Online goods are priced more than in-store rates</td>
<td>-0.07976</td>
</tr>
<tr>
<td>a. I will/do buy apparels (clothing) online</td>
<td></td>
</tr>
<tr>
<td>b. Online shopping offers a limited range of merchandise (the variety)</td>
<td>0.068591</td>
</tr>
</tbody>
</table>

A. None
B. Brand Name
C. Some government specified security standard
D. Others

![Chart](chart.png)
question whether a particular advertisement on a vendor’s home page constitutes a lucrative offer or an invitation to threat (Jawahitha, 2005). This hypothesis can be supported by quoting some empirical results. While 64% of respondents from India felt that the security concerns in online shopping are grave. 52.6% of respondents from USA disagreed or strongly disagreed. Only 0.5 % respondents from India were aware of security standards such as visa/sign SSL, rest went with the brand name. In developed nations like USA, regular consumers are offered the store’s debit card which does not require them to use their credit cards and prevents security issues from arising. This method is in its embryonic stages in India with MTV and other known brands taking the lead.

**H3: Brand Name alleviates consumer’ security issues**

Creating a consumer experience that is synonymous with a particular (website) brand is becoming increasingly recognized as a vital driver of e-performance (Ha & Perks, 2005). It appears that brand experience is the preliminary condition to consumer’s e-commerce participation (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Brand trust has been defined as ‘a feeling of security held by the consumer in his/her interaction with the brand, such that it is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumers (Delgado- Ballester & Munuera-Aleman, 2001). It is easier for bigger brands to enter into online e-retailing than smaller brands because as shown by the correlation value 0.00573 between ‘Security’ and ‘Purchase Rate’ we know that higher the security assurance greater is the purchase rate. Furthermore, 52.1% of Indian respondents and 58.6% of respondents from USA consider brand name as the highest security sign in a website. Thus combining the above stated results we come to the conclusion that brand name can draw the attention of offline buyers and increase online apparel purchases. Moreover, only 17.08% of the respondents from India disagreed or strongly disagreed when asked if they would indulge in online apparel shopping if known and trusted brands entered the business. To strengthen this hypothesis we present another empirical result which showed that 51% of the respondents who looked for brand name as a security sign did not strongly agree that security problems are grave. Thus the above state results prove that brand name alleviates consumer’s fear pertaining to security problems. Furthermore, brand experience might show a positive reaction to pricing associated with the purchase and impact indirectly or directly on brand trust. Many consumers on the internet are price seekers, rather than loyal.

**H4: The outlook of Indian buyers towards online shopping needs a bigger transformation**

The psychology of Indian buyers is very different from that of the buyers abroad. Having accepted and adjusted to the e-shopping procedure, 67.5% of the buyers abroad stated e-shopping as their preference over the crammed streets as against a mere 37.1% of Indian respondents. Thus convenience of online buying is not the driving force behind the possibility of success in India and should not be the target of e-retailers. Consumers in India are yet to embrace the concept of internet shopping fully to appreciate the advantages offered in terms of convenience and 24x7 shopping. Hence in our model of speeding the process of converting India into an e-market we have not considered convenience. On the same lines, 87% of Indian respondents agreed or strongly agreed that they did not feel the ‘need’ to buy online. The unorganized Indian retail business thrives on personalization (Munjal, 2008) and it is this very outlook of Indian e-consumers that needs to be changed. Thus there is a requirement of creating a ‘need’ in the mindsets of Indian consumers by giving them satisfactory e-marketing services. For example, there is no value or convenience in what is available in online bookstores today, they seem to have no more depth than a crossword store, which is right next door (Bhattacharjee, 2007).

**H5: ‘Need’ for E-Shopping can be created by increasing the limited variety offered online in India**

Another issue facing the online consumers is the narrow and limited range of merchandise. This problem is specific to the Indian e-business, as only 26.95% of the American respondents agreed or strongly agreed to the lack of variety on the internet while 49.9% Indian correspondents agreed or strongly agreed to the same. This is the basic reason why people prefer buying books from an international retailer such as Amazon, Famball or FirstAndSecond where it is very difficult to *not* find a book (apart from the new ones launched in US) (Bhattacharjee, 2007) than their Indian counterparts like rediff even if they have to pay hefty handling charges for the distance. Even the leading sites like ebay.in, indiaplaza.in, and indiatieme have very limited range of items and therefore are hardly attractive as against international sites.

The correlation 0.068591 between variety of merchandise and frequency of apparel shopping shows that if the variety provided online increases, the online apparel shopping will also increase. This brings out the observation that lack of variety is another deterrent to the success of online apparel shopping as an unlimited variety is provided on the streets and 65.9% of respondents from India agreed or strongly agreed that online shopping offers a limited range of merchandise. Thus an important remedy to increase e-consumer base is to provide users with variety to match the variety on the streets such that it leaves them with no reason to turn to the brick and mortar shops.

**H6: Online prices of Indian shopping portals are higher than in-store prices**

The worst part of Indian online shopping is that most of the goods are actually priced more than the in-store price (Bhattacharjee, 2007). Here in India, there are not many exciting deals and offers, delivery guarantee, after sales support or replacement warranty. This dissuades people from converting into e-consumers as all these deals and offers are offered on the streets. This is exactly where there is yet again a cosmic difference in USA and India. While 75.6% of the respondents from USA disagreed and strongly disagreed that internet prices were more than in-store prices, 85.7% of Indian respondents agreed and strongly agreed on the same. Whereas in developed nations like USA various discounts are offered for online buyers and generally consumers turn to internet in search of cheaper goods. Popular brands offer the facility of installations thus enabling the middle class to afford branded merchandise. Such provisions are absent in the Indian online market. But there have also been certain interesting applications like aggregation platforms such as price comparison engines, the more options shoppers have, the greater value they would see in platforms that offer a one stop comparison of products and prices across retailers. Several comparison shopping platforms have been launched in the Indian market. Tolmol.com and Bechna.com are the two most prominent ones. A reduction in rates of online goods will prompt users to turn to e-goods has been proved by calculating the correlation between the high online rates and the intention of users buying apparel online.
which came out to be -0.07976. As the value of correlation suggests, the two clauses are inversely related, thus higher the rate of merchandise online, lower will be the population of online buyers and intention of people turning into online buyers.

**H7: Need to Touch-Feel-Try is a major predicament for Indian online apparel market**

Moving on to the online apparel business, the results of the survey were as per expectation. For respondents from India, online apparel shopping sounded outrageous because of their need to ‘touch-feel-try’ whose absence creates concerns over the quality of the product on offer (Internet and Mobile Association of India Report 2006). This problem is pervasive everywhere but has a greater impact in India due to its developing e-market. There was not a sizeable difference between the psychology of people relating to the need to ‘touch-feel-try’ with 75.6% of the respondents from USA agreeing or strongly agreeing and 82.8% from India. Also there was a positive and almost equal correlation for respondents from both USA (0.49809) and India (0.33221). This might lead us into thinking that online apparel business can not be successful, but an insight into the statistics reveal the reality which is far from the one stated above.

Only 5.7% of respondents from India had ever done apparel shopping as against 44.55% of respondents from USA. This mammoth difference in figures points towards the only possible explanation that even though people in the developed countries have the same attitude towards the ‘touch-feel-try’ problem but they have adjusted/are in the process of adjustment towards online apparel buying. 65.68% of the respondents from India expressed positive attitude towards apparel buying, these include people who had bought apparel online and were certain that they will do so in future, those who had never bought apparels online but felt that they might/certainly buy apparel in future. These surprising results prove that the Indian online apparel market has an untapped potential of developing into a big e-market. Thus the assumption by most of the retail stores like Shoppers Stop regarding the Indian public being unprepared for online apparel shopping is not entirely true. It is human tendency to resist change. The most natural instinct is to continue doing things the old way. And when changes are implemented, we try to fit them back into the mold because of our comfort level with how things used to work in the past. That is kind of how online apparel shopping has evolved. Even in the western world, not many physical retailers believed in online channel for apparels during its infancy – they looked at it more as a distraction. However, when they started understanding the potential of online shopping, more and more retailers began to build an online presence.

**H8: Good websites designs are positively associated with e-consumer responses.**

Additionally the problem of lack of proper descriptions on the site leaves the consumers with an unsatisfied experience wherein their need to ‘touch-feel-try’ is far from met. 62.7% of the Indian respondents believed that the descriptions of products on the sites were inadequate. If online shopping has to match the consumer base of in-store consumers in the apparel industry it is essential to use proper graphics and descriptive images to give the users as real an experience as possible. Otherwise the advantages of online apparel shopping such as convenience, time saving and 24x7 availability will be overshadowed by the huge difference in the personalized shopping experience and a superficial online shopping experience. Only 17.5% of the Indian respondents who had never done online shopping disagreed or strongly disagreed and asserted that they would not do online shopping if the description of products (especially clothes) is made appealing and vivid using graphics. Thus there is a need to implement better web site designs which offer a more fulfilling consumer experience. Research shows that consumers are more likely to visit, purchase, and repurchase from better-designed online stores (Liang & Lai, 2002). Also a correlation value of -0.49214 between the problem of lack of proper descriptions on the site and the need for people to ‘touch-feel-try’ proves that if websites are made more vivid and graphic, the ‘touch-feel-try’ outlook towards apparel e-shopping can be changed.

### TABLE III

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>HYPOTHESIS</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>There is a wide disparity in the penetration of e-marketing in India and USA</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H2</td>
<td>High Security Measures lead to more online purchases</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H3</td>
<td>Brand Name alleviates security issues of consumers</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H4</td>
<td>The outlook of Indian buyers towards online shopping needs to be changed</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H5</td>
<td>E-Shopping provides less variety, increasing the same can augment the e-consumer growth</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H6</td>
<td>Online prices of Indian shopping portals are higher than in-store prices online apparel market</td>
<td>SUPPORTED</td>
</tr>
<tr>
<td>H7</td>
<td>Need to Touch-Feel-Try is a major predicament for Indian</td>
<td>NOT SATISFACTORY</td>
</tr>
<tr>
<td>H8</td>
<td>Websites designs are positively associated with e-consumer responses</td>
<td>SUPPORTED</td>
</tr>
</tbody>
</table>
This model has been developed keeping in mind the statistics mentioned above. As proved above, convenience is not a driving force behind the increase in the number of e-consumers, the reason being the nascent methodology to which only 35.69% of Indian respondents have adjusted as against the whooping 98.3% respondents from USA. Thus convenience does not figure out in our model. It is believed that convenience will certainly be a vital factor once the culture of e-shopping sets in at par with the developed countries. Broadly, there are two kinds of factors which influence the performance of online shopping portal.

**External factors**

These are the macro variables that determine the performance. They are intrinsic to the environment (say, a country) and cannot be controlled by the company. The company has therefore to work around these factors for its success.

- **Penetration of the internet** – compared to the US, India has very low penetration limiting the market reach.
- **Outlook** - The “touch-feel-try” problem is prevalent in India as well as the USA. The outlook of American buyers towards online apparel shopping has changed over the years as against Indian buyers. In spite of its drawbacks, online apparel shopping culture has set in the USA drawing a large populace of Americans buyers.
- **Awareness** - This includes awareness in general about the brand, the brand online portals and security.

**Internal factors**

These are factors which can be controlled by the organization and thus a manipulation of these determines the strategy of the company.

- **Product variety** – the variety offered by the website leads to the attractiveness of this line of business
- **Pricing mechanism** – Any monetary benefit offered in online shopping as against in-store shopping will draw consumers.

An appealing pricing mechanism coupled with reasonable product variety can create the need for online shopping. This is crucial in furthering growth of online shoppers and gives them the much desired reasons for endorsing online shopping as against in-store shopping.

- **Site Description and Aesthetics** - This is an indispensable factor especially for apparel shopping. It helps in reducing ‘touch-feel-try’, increases trust and comfort
- **Brand Value** - Increases consumer trust
- **Security** - The more secure the site, the more comfortable the consumer

**Consumer Trust**, once secured will boost the performance of the online portal and can be achieved by building the brand name and securing the site by employing the best standards. Brand name/value has been recognized as a vital factor which can appeal to the people and make them buy online. 52.1% of Indian respondents and 58.6% of respondents from USA consider brand name as the highest security sign in a website. The basic reason for this conclusion is the fact (proved above by empirical results) that people consider security as one of the main impediments in buying online, but majority of those who look for brand name as a sign of security do not feel that security problems are grave, thus brand name ‘generates security’ amongst users as shown in the model.

Once brands realize the significance their name carries they will be less hesitant in surging ahead with the decision of increasing/launching their shopping portals. Even in other nations, brand name is the safest bet for consumers as it removes the problems of ‘touch-feel-try’ eventually. Consumers do not think twice before buying a clothing item from a trusted and tried out brand because the fit and touch is already known. Thus our emphasis in the model is to provide solutions to known brands so that they can create a large population for e-consumers.

There is a need to provide an online experience that matches the personalized experience of in-store shopping, especially in
India where certain people have been going to the same shops in their family for decades. This can be achieved by enhancing the shopping websites to serve mainly two needs, firstly they should be user friendly and easy to operate and secondly they should be descriptive with lots of graphical representations. Among consumer-related IT investments, the creation and maintenance of an effective Web site are critical elements of IT and of the marketing strategy of firms (Mithas, Ramasubbu, Krishanan and Fornell, 2007).

Additionally, managers need to know the effectiveness of their Web site in meeting the needs of their Web site visitors to improve loyalty to their Web site (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Secondly an understanding of Web site visitor profiles and their needs enables a company to tailor not only its prospective consumer interface but also its future line of product features and offerings. This can be achieved by employing various statistics like hit count versus purchase count and many others. The best way to reach out to people is to create blogs and discussion forums for them so that they have the freedom to rate the quality of service delivery and leave behind suggestions. Thus managers will get what they want as the suggestions are a representative of consumer satisfaction. Also forums will generate a higher degree of trust and comfort for the new e-consumers who can satisfy themselves before making an e-purchase by reading the responses regarding the service delivery. Thus brands ‘should generate’ better web site designs.

As website designs are enhanced, people get more idea about the products online by looking at the animations and descriptions. Content pertains not only to the verbal information but also to the usage of graphics, animated objects, pictorial representations, and other multimedia artifacts present in the Web site (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Thus good websites ‘enhance consumer experience’. Also managers can control the degree of freshness of Web site content by making design choices, such as use of dynamic pages and the more frequent updating of content, depending on business needs and consumer expectations (Mithas, Ramasubbu, Krishanan and Fornell, 2007). Good websites have been known to generate consumer loyalty as it gives them a personalized attention to match the personal care at street stores. Consumer loyalty is an important determinant of long-term business success. Several studies have documented a favorable effect of consumer loyalty on usage levels, future revenues, cost of future transactions, price elasticity, consumer defection, warranty, and field service costs (Anderson & Fornell, 1994).

Generating variety and complaint systems (redress) have also been discussed in detail above. A good redress system generates a higher level of security and comfort as it strengthens the belief that in case of a delivery mishap a proper action will be taken.

Thus good complaint system ‘generates security’. As the level of trust, security and comfort will increase, people will start taking risks of buying all kinds of merchandise online ranging from electronics to clothing. Thus the ‘touch-feel-try’ factor will be eliminated.

After having conducted various empirical tests it is clear that India has a lot of potential to be a leading e-market place. The bearing of e-shopping especially the retail businesses on the Internet have created opportunities to the consumers to transact online with comfort and convenience. Nevertheless, the ultimate success of e-shopping will depend to great extent on the interest and confidence of consumers. The hesitations which leading apparel brands are dealing with can be dealt with by understanding the psychology of likely e-consumers and gaining their trust and confidence.

REFERENCES


10. IMRB International; Consumer E-Commerce Market in India; 2007.A Report by eTechnology Group@IMRB for Internet and Mobile Association in India retrieved from http://www.iamai.in/.


Conspicuous Consumption in Cross-national Context: Psychological and Brand Antecedents
Dr. Paurav Shukla, Brighton Business School, UK
Dr. Ekta Shukla, UK
Dr. Sangeeta Sharma, Birla Institute of Technology and Science, India

ABSTRACT
This study addresses the issue of conspicuous consumption among the British and Indian consumers, focusing on the psychological and brand antecedents, using the context of alcoholic beverages while employing a cross-sectional, survey-based methodology. The findings suggest that in both countries psychological and brand antecedents are of crucial importance among consumers in influencing their conspicuous consumption. However, the variables differ in their importance. The findings provide marketers an opportunity to engage with consumers by coupling the right mix of standardization and customization. The study is first of its kind explicitly investigating the conspicuous consumption in a cross-national context.

EXTENDED ABSTRACT
Since the publication of Veblen’s Theory of the Leisure Class over a hundred years ago the theory of conspicuous consumption remains a powerful critique of the neoclassical theory of consumption (Trigg 2001). Conspicuous consumption relates to the consumer’s behaviour of seeking to purchase goods and services for the status they confer, regardless of that consumer’s objective income or social class (Belk 1987; Eastman et al. 1999). It differs from mainstream consumption of regularly purchased goods as it satisfies not just material needs but also social needs e.g. social status and prestige. Mason (1984) observes that the classical ‘rational’ theories of consumer expenditure and decision processes do not readily accommodate conspicuous consumption due to the atypical nature of such behaviour.

Due to advances in technology and logistics, consumers are simultaneously being exposed to global conspicuous brands across markets for the first time. However, previous studies in this field have looked at a single nation and industry context e.g. clothing in Australia (O’Cass & Frost 2002), women’s cosmetics in the US (Chao & Schor 1998), and automobiles in the US (Amaldoss & Jain 2005) and the UK (Shukla 2008) and do not provide external validity with regard to a cross-national context. Moreover, Redding (1990) as well as Wong and Ahuvia (1998) observe that models developed with Western consumers in mind may not sufficiently explain behaviour of Eastern consumers. Furthermore, behaviour of consumers belonging to emerging markets which are observing unprecedented economic growth and wealth generation have also not been studied in details with regard to conspicuous consumption and demands further attention.

Several researchers provide various influential psychological factors relating to conspicuous consumption such as, gaining respect, popularity, being noticed by others, showing who I am in the presence of others, (Bagwell and Bernheim 1996; Marcoux et al. 1997). In addition, Solomon et al. (2002) suggest that consumers may purchase products or brands in order to obtain their intangible values and sense of accomplishment arguing that conspicuous consumption is a consequence of consumers’ desire to signal wealth. The factors representing intangible values were identified as symbols of success; symbols of prestige; indicator of wealth; indicator of achievement; interested in status; and enhances my image (Heath and Scott, 1998; O’Cass and Frost, 2002; Wong and Ahuvia, 1998).

According to O’Cass and Frost (2002) and Park et al. (1986), brands mirror psychological associations which are reflected in the broad spectrum of feelings (Gardner 1985; Malhotra 2003). Researchers including Belk (1988) and Sirgy (1982) have observed the influence of self-concept and brand-image congruency on consumer purchase decisions. Several other factors including brand familiarity (Alba and Hutchinson 1987; Kent and Allen 1994), brand awareness (Agarwal and Malhotra 2005; Chaudhuri 1997) and country of origin (Ahmed et al. 2002; Roth and Romeo 1992) have been observed to be influential in consumer decision making. However, studies in the area of conspicuous consumption have seldom focused on these issues.

The brief discussion above suggests that gap exists in our understanding of conspicuous consumption especially in a cross-national and in the emerging markets context. Therefore, the overall aim of this study is to develop a valid and reliable cross-national framework measuring how important are the psychological and brand antecedents in influencing conspicuous consumption as well as to identify the similarities and differences between the conspicuous consumption behaviour among consumers in different markets.

Two scales of measurement (psychological antecedent scale, brand antecedent scale) were employed to measure the above stated aim. The choice of the nations and industry for this study was influenced by the historical association of the product category with conspicuous consumption and the commonalities of the brands available. The countries selected for the study were India and the UK. As India was a British colony for over 3 centuries, there have been many macro and micro influences both nations have had on each other in terms of culture, language and consumption. While both countries share strong cultural and business ties they are hugely different on most macro and micro parameters. After researching several product categories within both markets, alcoholic beverages was found to be the most appropriate. Datamonitor reports (2007b, 2008c) state that both the UK and India share a larger chunk of their regional alcoholic drinks markets (UK being 22.3% of EU market and Indian 14.5% of Asia-Pacific market). However there are many differences between both markets (Ball and Bellman 2007). For example, in growth terms, the UK seems a mature and saturated developed market (growth rate predicted 1.8%) in comparison to the fast growing emerging Indian market (growth rate predicted 11.7%) however it was observed that the brands associated with conspicuous consumption were almost the same.

The study adopted a quantitative research methodology employing a structured questionnaire with a final usable sample of 271 in the UK and 278 in India. Structural Equation Modelling (SEM) as a technique was used to analyse and interpret the data. Several tests were performed to determine how well the model fits the data.

Overall, the results support the central argument of the study that psychological and brand antecedents are of crucial importance however, significant cross-national differences exist with regard to conspicuous consumption. It was observed that several psychological variables namely, gaining popularity, to be noticed by others and showing who I am were found to be strong predictors in both countries; however their impact varied significantly across the countries. In both countries consumers consume conspicuous brands for implicit reasons such as to gain popularity and to be noticed by others however they do not look for explicit image
association, or wealth indication. These findings contrast the theorised relationship between wealth, achievement and conspicuous consumption by Solomon et al (2002) and Trigg (2001). It was observed that British consumers focused on their actual self-concept in comparison to the Indian consumers who focused on others self-concept while consuming conspicuous brands. The study provides interesting implications for marketers regarding how to develop and manage meaningful engagement with customers in cross-national context.

REFERENCES


Consumer Perceptions of Service Quality: A Cross-National Analysis
James Agarwal, Haskayne School of Business, University of Calgary, Canada
Naresh K. Malhotra, College of Management, Georgia Tech, USA
Ruth N. Bolton, W. P. Carey School of Business, Arizona State University, USA

EXTENDED ABSTRACT
Global trade in services is growing faster than other areas and accounts for one fifth of world trade and almost two-thirds of the world’s total output. This growth in world trade has resulted in an increasing trend toward internationalization of services (Cicic, Patterson, and Shoham 1999) in both developed and developing economies. While, service quality is reportedly the most heavily studied construct in services marketing (Fisk, Brown, and Bitner 1993), scholars have noted the lack of rigorous theoretical and empirical studies in international services marketing (Axinn and MatthysSENS 2002). The purpose of this paper is to develop a theoretically and empirically supported conceptualization of service quality (SQ) that can be used to develop strategies for the global marketing of services. There is a pressing need for rigorous research on this topic because there is a lack of consensus regarding the conceptualization of SQ. Although, the five-component framework of Parasuraman, Zeithaml, and Berry (PZB) (1988) has been the dominant perspective on SQ, there is a lack of consensus relating to its factor structure – i.e., are these determinants or dimensions? (PZB 1988; Cronin and Taylor 1992; Dabholkar, Thorpe, and Rentz 1996). Further, there is also lack of consensus in terms of its degree of generalizability in a cross-national and cross-cultural context (Winsted 1997; Kettinger, Lee, and Lee 1995). That is, do consumers across nationalities and cultures attribute similar salience to the five-components in their perception of service quality?

Our study develops and estimates a second-order model of SQ and evaluates its model performance versus alternative model conceptualizations. The model is based on the five-component framework of PZB (1988) – i.e. tangibility, reliability, responsiveness, assurance, and empathy. In the past, SQ has typically been conceptualized as a first-order factor, as antecedents, as one-factor model, and/or multi-item summary construct (e.g., Brady and Cronin 2001; Carman 1990). However, it has been suggested that SQ is a higher-order, multidimensional, and multilevel construct (e.g. Dabholkar et al. 1996). Further, our study examines the validity of the proposed second-order SQ model within a nomological network and evaluates its model performance versus alternative model conceptualizations. Based on cross-cultural theories, we develop hypotheses regarding how consumer perceptions of the first-order dimensions of SQ differ between the USA and India. We also develop hypotheses regarding the effects of perceived SQ on attitude, satisfaction and behavioral intentions in these two countries.

We chose banking services as our study context because they are widely available in both countries and the banking sector is an important part of the service economy in each country. A structured survey questionnaire was prepared and administered in English in the USA and India.

We use a hierarchy of models for factor structure comparisons specifically when testing for a second-order factor model. In addition, we compare the structural model fit of the proposed model to assess its predictive and nomological performance. In relation to the best factor structure, our study confirms the superiority of the proposed second-order SQ model against the competing models. Further, cross national differences in service quality perceptions exist between USA and India.

REFERENCES
EXTENDED ABSTRACT

Extending on existing research which indicates that people’s incidental diffuse affective feelings are often assimilated in their assessments of unrelated items, we demonstrate that more localized bodily sensations, which emerge when people’s sensory receptors come in contact with external sensory stimuli (e.g., textures), can produce either assimilation, contrast, or no effects on assessments of target products. More specifically, in two studies we show that the physical distance from which a person views a product when standing on an (un)comfortable hard tile or softly carpeted store floor can moderate the direction of the resulting context effects on people’s product assessments.

Our theorizing anticipating such outcomes drew on the context effect literature. Such work indicates that the direction of context effects depends critically on how people use contextually activated data (e.g., a concept, sensation) during two stages: encoding or interpreting the target product, and rendering a formal judgment of it by comparing it with a standard. Further, some research shows that the clarity of the mental representation people form of target products can influence how contextually activated data are used at each stage, thereby determining whether assimilation or contrast effects obtain. In particular, when one’s mental representation of a product is poorly defined, assimilation effects should occur, but when the representation is clearly delineated, a contrast typically prevails.

We reasoned that in most instances, the visibility and clarity of a product’s features should be enhanced the closer one stands to the product, and this should increase the clarity of the mental representation that one forms of it. Thus, if the texture of the flooring on which a consumer stands during product examination (i.e., the hardness of the tile or softness of the carpeting) prompts the consumer to experience bodily sensations of discomfort or comfort, the influence of these sensations on viewers’ product assessments should vary as a function of the distance that the consumer stands from the product. Specifically, when individuals stand on flooring and view a product displayed at a moderately far distance that should prompt a cloudy mental product representation, they will assimilate their bodily sensations with target product assessments. However, when they stand on such flooring and examine a product displayed at a close distance that yields a clear product representation, their bodily sensations may be used as a comparison standard and prompt a contrast effect on their assessments. Finally, when they stand on such flooring and observe a product from an extremely far distance, perception of the product features may be so hazy that viewers recognize that their bodily sensations of (dis)comfort are unrelated to the barely visible product. Thus, individuals may discount their sensations, and no context effects obtain.

Experiment 1 tested these predictions with participants purportedly recruited to understand how consumers evaluate products displayed in stores. To simulate a store setting, each participant stood in a specific location on either carpeted or hard tile flooring that bordered a (tiled) display area. Next, participants viewed a target vase placed on the floor at a close (6 inches), moderate (5 feet), or extremely far (10 feet) distance from them. Then, participants assessed how comforting the target vase’s appearance was.

The results supported our predictions. When individuals viewed the product from a moderately far distance that rendered its representation somewhat unclear, they assimilated their bodily sensations with their product assessments. But when the product was viewed from a close distance that enabled viewers to more clearly perceive and generate a clear representation of it, a contrast effect emerged. And, when individuals viewed the target product from an extremely far distance that severely degraded their visibility and representation of the product, no context effects emerged on assessments.

These findings appear to add to the literature. Yet, questions could arise about whether the outcomes were truly attributable to people’s bodily sensations per se. It is conceivable that they actually reflect people’s use of semantic concepts primed by the contextual flooring. Specifically, participants may have noticed the flooring they stood on, and it activated widely shared descriptive concepts concerning its comfort. In turn, these primed semantic concepts — not people’s bodily sensations of (dis)comfort — could then have served as contextual cues that shaped people’s product assessments following a process similar to that which we theorized. Study 2 sought to distinguish whether our findings reflect such cognitive priming, or, as we propose, the influence of people’s bodily sensations per se. It also explored whether, because physical bodily sensations are more concentrated or localized than are diffuse affective feelings, they elicit context effects that are fairly confined to assessments that relate to the relevant sense, in our case, the sensation of tactile comfort, versus, say, overall affect toward the target product.

To test whether our outcomes were spawned by people’s internally experienced bodily sensations versus widely shared semantic concepts associated with the flooring, we examined whether differences in participants’ self-monitoring would moderate our context effects. Extant research indicates that people who are high self-monitors base their assessments on consensually shared prescriptions implicated by cues in the particular situation—ones like semantic concepts associated with the flooring. However, low self-monitors determine their responses by attending to their own internal states or bodily sensations. Hence, if our findings reflect people’s use of cognitively primed concepts activated by the flooring, our predicted context effects should be more prevalent among high versus low self-monitors. But if they reflect people’s reliance on their internal sensations, the effects should emerge primarily among low, not high, self-monitors.

Experiment 2 used the same procedure and stimuli as study 1, but it added a self-monitoring scale and several assessment items that examined people’s overall affect toward the target product. The results supported our thesis that the context effects occurred because of how people used their bodily sensations, not cognitive concepts, aroused by the flooring. Further, no context effects emerged on participants’ overall affect toward the target product, indicating that context effects spawned by bodily sensations may be more limited in scope than those prompted by general affective feelings.

REFERENCES


Product "Position"-ing: Implications of Vertical and Horizontal Shelf Space Placement
Ana Valenzuela Baruch College
Priya Raghubir, UC Berkeley

EXTENDED ABSTRACT

Battles for shelf space between manufacturers and retailers are intense and costly due to the proliferation of brands, new product introductions, and the scarcity of what is considered prime shelf space. Aggressive negotiation for prime shelf space is justifiable if managers believe that purchasing decisions are likely to be made at the point of sale and that product placement can somehow influence the relative attractiveness of offerings. In fact, P&G calls the three to seven seconds when someone notices an item on a store shelf, the “first moment of truth” and believes they are a crucial determinant of product choice (Nelson and Ellison 2005).

Prior research on product placement has shown that the spatial position of products affects consumers’ inferences about prices (Inman, McAlistser and Hoyer 1990), their allocation of attention across brands (Chandon, Hutchtington, Bradlow and Young 2007), inferences of their popularity (Valenzuela and Rheuburh 2008), the number and type of product comparisons that buyers make before deciding what to buy (Breueglmans, Campo, and Gijsbrechts 2007), the level of exposure and physical interaction with a good (Folwell and Moberg 1993), as well as brand sales (Desmet and Renaudin 1998). However, there have been inconsistent effects noted for the influence of product placement on choice, ranging from an extreme position advantage (Nisbett and Wilson 1977), a middle position advantage (Christensen 1995), no position advantage (Chandon et al. 2004), and position advantages contingent on product category (Drèze et al. 1994). Drèze et al. (1994) examined the effect of vertical and horizontal placement on brand choice. Across eight product categories (with an average of 115 items per category), they showed that while physical location had a general effect on sales, the magnitude of the shock varied according to product category and, more importantly, position on the shelf. For example, moving a product product from the worst to the best vertical position increased sales by up to 40%, whereas a similar horizontal movement increased sales by 15%; although the “best” position was contingent on product category itself.

This paper investigates whether, how, and when consumers extract meaning from the position of products in both horizontal and vertical shelf space arrays, and how these inferences translate into their preferences. We test three basic hypotheses: consumers believe products are placed in decreasing order of price from top to bottom rows (H1: verticality) and from right to left rows (H2: horizontality), leading to preferences for center positions in both orientations as these represent a balanced price/quality tradeoff. However, the preference for center positions may still represent a compromise option. However, the preference for the center of an array is stronger in the horizontal orientation than in the vertical orientation. Finally, mediation analyses demonstrate that verticality effects are perfectly mediated by schematic inferences, while horizontal effects are not. This implies that the use of the vertical schema is contingent on its accessibility and diagnosticity, reflecting that it is a controlled and conscious process (Feldman and Lynch 1988), whereas the use of the horizontal schema may be contingent on its mere accessibility, an effect shown to reflect automatic processes in judgments (Menon and Raghubir 2003). Finally, Study 6 finds that when consumer purchase goals move towards a higher quality/higher price alternative, choice patterns move from the center to the extreme.

REFERENCES


How the Order of Sampled Experiential Goods Affects Choice

Dipayan Biswas, Bentley College
Dhruv Grewal, Babson College
Anne L. Roggeveen, Babson College

EXTENDED ABSTRACT

This research investigates the impact of the sequential ordering of experiential products on preference for those products. Experiential products are somatosensory in nature, so the experience of using them likely is driven by automatic affective reactions to the products (Shiv and Nowlis 2004).

Regardless of the valence of the product, when consumers evaluate products in a sequence, product information enters their short-term working memory (Conway, Cowan, and Bunting 2001); they later retrieve that information when they must rate the product (Howard and Kahana 1999). In the context of experiential goods, we expect a recency effect such that the information most recently encountered will exert more influence. Previous research confirms that as additional stimuli information enters working memory, memory for the initial stimulus information decays (Howard and Kahana 1999), causing the recall accuracy for the initial stimulus to diminish (Verhaeghen, Cerella, and Basak 2004). Furthermore, affective reactions derived from an experience (e.g., another sampled product) likely interfere with the retrieval of feelings generated during the initial experience (Cowley 2007). In combination, these findings support the notion that when consumers must recall and rate products after they have evaluated them sequentially, the product encountered most recently should have a stronger impact.

However, this better recall for the most recently experienced good is expected to result in different preference outcomes, depending on whether the products are desirable versus undesirable. We hypothesize that for two equally desirable products, consumers would better recall the desirable aspects of the product encountered last in a sequence, which will cause them to prefer the product encountered last (recency outcome). In a related vein, for two equally undesirable products, consumers will better recall the undesirable aspects of the product encountered last in the sequence, which causes them to relatively prefer the product encountered first (primacy outcome).

By enhancing memory for the initially sampled item, we expect to reduce primacy and recency outcomes. With enhanced memory capabilities, consumers should be better able to recall the objective features related to sampling both sequential stimuli (Verhaeghen, Cerella, and Basak 2004). This memory enhancement in turn should improve recall for the initially sampled item (recall for the most recently experienced item already should be high) and reduce the serial position outcomes hypothesized previously.

Similarly if we weaken memory for the item evaluated later in the sequence, we can again reduce the serial position effects. As cognitive constraints increase, people have less capacity for additional activities, such as learning or remembering new information (Lynch and Srull 1982), which increases their reliance on automatic reactions (Rottenstreich, Sood, and Brenner 2007; Shiv and Fedorikhin 1999). We expect that when consumers suffer from high cognitive constraints, their ability to remember either the first or the second product they experience should diminish. As a result, the second product experienced should not be recalled in any greater detail than the first product, and consumers should become indifferent between the two evaluated products in subsequent recall and rating tasks.

Study 1a (n=69) uses a 2 (product set: two desirable beverages versus two undesirable beverages) × 2 (memory: enhanced versus not enhanced) between-subjects experiment to demonstrate that under normal memory conditions, consumers prefer the item they experience last (recency outcome) between two desirable beverages. In contrast, they prefer the first item (primacy outcome) when they taste two undesirable beverages. We also find support for the moderating effects of memory enhancement. That is, enhancing memory for the first experienced product (flavored water) reduces the recency outcome for desirable products and the primacy outcome for undesirable products. In Study 1B (n=90), a 2 (desirable versus undesirable music) × 2 (cognitive constraint: high versus low) between-subjects experiment, demonstrates that under normal memory conditions, a recency outcome reflects consumer preference for the second desirable music clip, whereas the hypothesized primacy outcome emerges to prompt consumers to prefer the first music clip when the music is undesirable. We also find support for the moderating effects of inhibiting memory through cognitive constraints. That is, serial position outcomes can be reduced by enhancing consumers’ cognitive constraints, which inhibits their memory for the later experienced good. Study 2 (n=78) explores the impact of mixed choice sets with two desirable and one undesirable option using four between-subjects conditions: the three combinations of (1) D1-D2-UD, (2) UD-D1-D2, and (3) D1-UD-D2, and a control group (4) D1-D2. Results demonstrate that the order in which consumers experience the products still affects their preferences. When they sample the undesirable product last, they experience a recency outcome and prefer the second desirable product. When the undesirable product appears first, the enhanced recency outcome means consumers have an even stronger preference for the second desirable product. A primacy outcome occurs only when the undesirable product precedes the second desirable product and assimilation effects prompt consumers to prefer the first product.

REFERENCES


This session contributes to our understanding of the impact of socio-cultural milieu on identity construction through consumption (Thompson 1996; Holt 1998; Allen 2002). It focuses on three different socio-cultural contexts in which women are presented with dominant idealized representations of Womanhood: mainstream Indian women; Muslim minority women in India; and wives of enlisted men in the US. The session explores the role of advertising in creating and perpetuating ideologies of womanhood, women’s response to these depictions, and their consumption of products and services like technology to construct identities that are consistent with or in opposition to these representations.

In the Indian socio-cultural context the session focuses on the role of advertising in creating, promoting, and validating identity choices. According to a 1995 analysis a majority of television commercials depict Indian women as wives and mothers often with little distinction between the two roles (Roy 1998). While this may not be surprising given that at the time only 27.7% of working-age Indian women participated in the workforce, it must be recognized that of the proliferation of Indian woman identities (Mankekar 1993), advertising constructed and perpetuated a few that appeared to be valid for all Indian women (Roy 1998). Today, as more women are entering the work place at significantly higher rates (Purushothaman 2008) we explore whether there is a shift in the depiction of women in Indian advertising, and if so, how?

The first presentation by Ambi M.G. Parameswaran brings us the Indian advertising industry’s perspective from a prominent insider. It focuses on emerging ideologies of Indian womanhood and her consumption practices and priorities as reflected in major advertising campaigns. The core of the presentation is based on qualitative research data collected by Cognito the consulting division of FCB-Ulka.

In an interesting juxtaposition, the second presentation by Julien Cayla adopts the contrasting perspective of Indian Muslim minority women and focuses on their consumption of advertising. Indian Muslim women are remarkably absent in mainstream Indian advertising which tends to represent Indian women as Hindu. Drawing upon ethnographic research with Muslim women Julien examines their responses to the omnipresent representations of Indians as Hindus: How do they feel about not being represented? Do they relate to the women in the ads?

The third presentation by Venkatraman, Bardhi and Higie Coulter shifts the focus to the wives of enlisted US army men. While these women may on the face of it seem to have very little in common with Indian women, they too are presented with a dominant idealized representation of womanhood: the super mom, wife, partner, home-manager, and hostess. The presentation shows that in the face of this Army wife ideology, women construct individuated identities and bend technology to their own purposes in the process.

To summarize, the main questions this session addresses are: how do women respond to idealized versions of womanhood in constructing their own identity projects? And, how do they consume advertising and technology to constitute these identities? The session makes a contribution by:

1. Examining the impact of socio-cultural context on identity formation from the perspective of both the mainstream culture viz., the middle-class Indian woman (in presentation 1) and a minority within the culture viz., Indian Muslim woman (presentation 2).

2. Exploring how advertisers and copy writers compose and depict symbols and narrative structures around Indian Womanhood in their advertising communications (in presentation 1) and how these advertising are consumed by Indian-Muslim women (in presentation 2).

3. Focusing on the consumption of technology to construct and sustain identities and relationships (Presentations 1 and 3).

4. Providing a forum for cross-fertilization between academic researchers and industry practitioners.

Long Abstracts

The Not-So-Desperate Housewives of India
Ambi M.G. Parameswaran, FCB-Ulka.

India embraced the liberalization mantra in mid 1991 opening the market and its consumers to a plethora of products and services. The liberalization era also brought about challenges on the job and business front with increasing competition and growing opportunities. Qualitative research studies, done over the last seven years among urban Indian women point towards some significant changes wrought by this wave of liberalization. These changes encompass their overall outlook to life, their relationship with their husbands and his family, a growing obsession with children and their future, and the growing appreciation of the power of technology to change lives. Given the far-reaching consequences of these changes for consumption of goods and services, some of these trends are beginning to be reflected in contemporary advertising as well. This presentation comprises two parts: the first focuses on emerging trends in identity construction and consumption by Indian women; and the second on ad campaigns that incorporate these findings.

We find that Indian women now identify as a “Home manager” and “not just a dumb” housewife. In fact, while a majority of women used to see their primary role as a caregiver and cook, now some even say they do not enjoy cooking anymore. Women see their role as not just to cook and clean the home, but also to be involved in managing the household finances, dealing with the banks, and paying bills. All these were the domain of the husband a decade ago.

Her relationship with her husband too is changing from one of “what can you get me?” to ‘how can I help you so that you can do better in your business?’ To this end she is also not averse to taking up a part time job. Studies done seven years ago pointed towards the fact that at-home housewives felt that they were better mothers wives compared to a working woman. That is changing based on the latest reports. Given a choice the educated women in India would like to work, and they believe a working woman is
in a better position to provide her children and family with the latest amenities. Never-the-less Indian women do not want to give up symbols of tradition or their religion, but are exploring new ways of combining modern trappings with traditional Hinduism. So today she may visit a beauty parlor to prepare for a traditional Indian festival honoring her husband.

The centre of her life continues to be her children; she is living her own dreams through them. She is happy for the growing opportunities that face her children, but at the same time worried that these opportunities may take her children far from her. Just ten years ago her life revolved around her husband and his family; but now she has life revolves around her children. In China researchers have documented the growth of the “Little Emperors” or kids of the 4-2-1 era with four grand parents and two parents fighting over how to spoil 1 kid. In India we do not have those little Emperors, but we do have a lot of little Princes and Princesses.

Technology, in the form of a home computer or a mobile phone, is now at the top of her shopping list. She feels that technology will be a big help for the future prospects of her children, but she is also afraid of the dark sides of the internet/mobile revolution. It is often her children who end up educating her about the latest in technology.

In the latest Indian census, Hindus represented approximately 80% of the population, while around 13% or around 151 million people identify themselves as Muslim in India. Hence, advertisers heavily borrow from a Hindu relgio-ritualistic imagery that most Indians can relate to (Rajagopal 1998).

This paper looks at the way minority groups such as Indian Muslims react to these representations of Indians as Hindus. In her work on the reception of televised serials on the Hindu epics the Ramayana and Mahabharata, Mankekar (1999) reveals that the Sikh women she interviewed felt excluded by these Hindu epics. In contrast Lakha (1999) argues that many Muslim families who watched the series felt a sense of connection to the moral issues depicted in the series. These contradictory findings raise the following issue: how do minority groups view representations of Indians as Hindu?

This paper more specifically investigates the experience of Muslim women in India, their watching of television series, advertisements and their other market experiences. Understanding this relationship between Muslim Indian women and the marketplace is especially pertinent because representations of Muslim women are remarkably absent from the Indian media. A few televised series such as Shaheen and Heena have depicted the lives of Muslim women in India, and popular movies such as Pakeezah or Humrao Janjoo often tell the story of the glorious Islamic past in India, when Mughals ruled for more than three hundred years (Dwyer 2004). But Muslim women are generally absent from the Indian media. In contrast, representations of Hindu women abound. Indian nationalists already used the figure of the Hindu woman, in speeches and writings, as the custodian of Indian tradition, the last line of defense against the potential pollution of foreign influences. Today, on Indian television, housewife characters wearing bindis and mangalsutras endow contemporary domestic commodities with the aura of a Hindu-Indian heritage that cuts across most regions and social classes.

Because of the differences between Hindu and Muslim culture, traditions, and iconography, it becomes especially interesting and important to study how Muslim women relate to the Indian media. Our research on the experience of Muslim women reveals that while they experience discrimination at many levels—for example in the real estate market, where Muslim families find an increasingly limited number of choices—they do not experience the omnipresent images of Hindu families as a form of symbolic violence (Bourdieu and Passeron 1977). On the contrary, Indian television series and advertisements reflect the tensions of the extended families which many Muslim women experience. This is consistent with previous research describing Muslim communities outside of India, and their love of Indian films (Larkin 1997). Similarly, the Muslim women we talked to related to the motivations of characters in ads and television series, which are often based on family and kinship relations. Contrary to our expectations, they did not see the absence of Muslim families or characters in media representations as oppressive. To our surprise, many of these women, across differences of community and social class, revealed their desire not to be represented because they would rather not be misrepresented. So instead of seeking representation, they are content with a state of affairs where the figure of the Muslim woman remains largely absent.

This paper contributes to our understanding of identity-formation by positioning informants within their socio-cultural context. Ritson and Elliott (1999) point out that most of the research in advertising has been detached from the cultural context of the receiver. With this paper, we are able to enrich the study of advertising and media reception in marketing. Situating the lives of the women we interviewed within their everyday context helps go beyond the idea that they are either resisting or passively accepting the domination of Hindu representations. This research shows women resisting the discrimination they face in some areas of the marketplace, happily accepting the omnipresence of Hindu representations as Indian, while refusing to be represented. It offers a nuanced and highly contextual depiction of the way people resist (or not) the marketplace and the media.

From Tool to Transformation: Consuming Technology to Negotiate Identity

Meera Venkatraman, Suffolk University
Fleura Bardhi, Northeastern University
Robin Higie Coulter, University of Connecticut.

Not withstanding consumer researchers interest in the role of products in sustaining and building identities (Arnould and Thompson 2003), they have with one major exception (Kozinets 2007) ignored the role of technology consumption in this domain. Addressing this lacuna this paper investigates the meanings of technology consumption when it is considered a fundamental
constitutive element of consumers’ lives. Theoretically, in contrast to much of the consumer research on technology, we locate our research in the domestication research (Sorenson 2006) and consumer cultures traditions (Slater 1997) and not in innovation theory (Rogers 1995). In addition, we focus on women who are generally considered to be disadvantaged in the consumption of technology (Dobscha 2004) and not on innovators or early adopters of technology.

The socio-cultural context of our study is the wives of enlisted Army men in the United States living on Army posts at a time when the country is at war on two fronts. These women’s lifestyle can be described as trying to “hold it together” in the face of considerable financial and emotional strains and stress (Alvarez and Sontag 2008). Yet, at the same time they are exhorted to live up to an idealized version of the Army wife who has the “strength of a lion;” is completely independent; possesses the qualities of both father and mother, is a perfect hostess to four or forty with an hour’s notice; can handle every emergency imaginable without a manual; be able to carry on cheerfully, even if she’s pregnant and has the flu; and must be willing to move 10 times in 17 years!

In this paper we explore the individuated identity projects that are constructed consistent with and in opposition to this “idealized” representation. We are particularly interested in the technology consumption modalities that will emerge to support these identity projects: how women see it, relate to it, and mould its potential to their own identity projects. Given our focus on discovery we adopted an interpretative research approach using in-depth interviews, metaphor elicitation, home visits, and surveys among 18 army wives living on two army posts in the United States. We found women who defined themselves in relation to the idealized representation of an Army wife were in a minority; as women were pursuing identity projects of independence and defining themselves in relation to their religion, family, and work.

The prevailing predominant logic of technology’s role in women’s lives is that women consume technology as a tool; a functional, practical device that accomplishes tasks and solves problems. We show that this understanding of the meaning of technology is outcome of techno-centric research that focuses on women’s interactions with specific technology products and services. When the focus is broadened to include both the life projects of women and the larger socio-cultural context of their lives, we find that women use technology to enact core values, practices, and maintain and build their identities.

In the process we identify two modalities of engagement with technology: instrument and resource. The consumption of technology as an instrument suggests goals, purposes, tasks, and the efficient execution of these tasks and accomplishment of goals. We show that this understanding of the meaning of technology is outcome of techno-centric research that focuses on women’s interactions with specific technology products and services. When the focus is broadened to include both the life projects of women and the larger socio-cultural context of their lives, we find that women use technology to enact core values, practices, and maintain and build their identities.

In this paper, we contribute to domestication research by explicating the role of the women as female head of the household in domesticating technology. Acknowledging that women consume technology as a tool, it argues that this view of technology consumption is technology-centric. It contributes to research on consumption and identity by demonstrating that technology consumption can be transformative when women purposefully consume technology as a resource to amplify their lives in ways that are meaningful in their social and cultural context. In this way it examines the meanings of technology consumption from tool to transformation.

REFERENCES


Intervention is developed based on the research. This group develops. A socially-situated consumer literacy cultural basis of literacy are the creative alternative literacies that has traditionally subscribed to narrow socialization practices. Socialization structures, especially in a culture such as India that This disparity has repercussions for traditional power and level of computer literacy of parents and their adolescent children. Repercussions that occur when there is a disparity between the Indian adolescents and their parents examines the socio-cultural socio-technical product – the computer. Anderson's research on class end of this range and on the literacy surrounding the use of ends of the socioeconomic spectrum. A newer stream of definition and conceptualization of literacy (the New Literacy Studies, c.f. Street 2001) firmly places literacy within a socio-cultural context. In this ideology, literacy, conceptualized as a social practice that is culturally constructed and contested, (Ozanne 2008) is of most interest rather than a specific standardized set of skills. This is manifested in the recognition of multiple literacies, varying according to social practices but also defining relations of power (Langer 1991, Street 2001). Broadly, literacy is the ability to interpret and communicate meaning though socially constructed symbols and texts. The recognition of this socio-cultural embeddedness is especially pertinent to developing countries. It raises issues not only of countries that are likely to have cultures that are often quite distinctive but also of the efficacy of standardized approaches to literacy when they are imported or imposed. This is especially consequential from a transformative consumer research perspective because it poses questions regarding localization and scale of interventions, programs and actions. And although this definition of literacy has been adopted in some quarters outside of consumer research, there has been little emphasis on the issues of socio-cultural embeddedness and power contestation within consumer research. Given the particular pertinence of this emphasis for emerging economies, the objective of this session is to illuminate not only literacy, but socio-culturally embedded literacy as important and fundamental consumer concerns. Our presenters will accordingly provide distinctively different perspectives on this topic. Bell's extensive ethnographic research illuminates and lays out the landscape of an expansive range of alternative literacies in India. She places these literacies within a highly pertinent and fast growing socio-technical context. Her research sets the stage to examine specific literacies at different ends of the socioeconomic spectrum. Anderson’s research focuses on the urban middle and upper class end of this range and on the literacy surrounding the use of a socio-technical product – the computer. Anderson’s research on Indian adolescents and their parents examines the socio-cultural repercussions that occur when there is a disparity between the level of computer literacy of parents and their adolescent children. This disparity has repercussions for traditional power and socialization structures, especially in a culture such as India that has traditionally subscribed to narrow socialization practices. At the other extreme of the economic spectrum, Viswanathan and Sridharan discuss consumer and entrepreneurial literacy of those at the subsistence level. Particularly telling of the socio-cultural basis of literacy are the creative alternative literacies that this group develops. A socially-situated consumer literacy intervention is developed based on the research. Two discussants will examine this research from different perspectives. The first discussant will be Amitava Chattopadhyay from INSEAD - Singapore. The second discussant will be Suresh Reddy of Byrraju Foundation. Chattopadhyay’s research, consulting and teaching in Asia, along with his research in emerging markets and his work with poverty in India make him a highly qualified discussant. Reddy’s work with Byrraju Foundation will add a perspective that focuses on the transformational aspects of literacy. The Byrraju Foundation seeks to “build progressive self-reliant rural communities, with a holistic approach, by providing services in the areas of healthcare, environment, sanitation, primary education, adult literacy and skills development.” Each person has agreed to serve if the proposal is accepted. Likely audiences for this research will include those researchers interested in cultural literacy, transformative consumer research, poverty, consumer socialization, consumption of technology and emerging markets.

**LONG ABSTRACT**

**Alternative Literacies in India**

Genevieve Bell, Intel Corporation, USA

Ashwini Asokan, Intel Corporation, USA

“There is no one more well connected and knowledgeable than my maid. I wait for her every morning to hear about what’s new and information on pretty much everything. And this girl hasn’t even gone to school.” The circulations and flow of information are rarely straight-forward. They echo other flows and circulations, following lines of power, identity politics, cultural practice, judico-political policy and social relationships. That one’s maid might be a more valuable source of insight, knowledge and cultural capital than a newspaper, blog or television show speaks volumes about alternate models of information economies. In this paper, we explore the ways in which these alternate information economies and eco-systems simultaneously produce and also rely upon, alternative forms of literacy. In particular we explore the ways in which this is happening in India, a country with historically low rates of conventional print literacy but one that is characterized by elaborate systems of information exchange and transmission.

With its multitude of subcultures, classes and castes, India has always been home to wide range of alternative forms of literacy and “texts” – dance, puppetry, song, movies, television, signage, story-telling. Many of these oral and visual systems of communication are rooted in Indian history. They have been used by individual cultural groups in traditional schooling, apprenticing to learn skills related to vocational jobs, puppetry and other visual folk arts as a means of propaganda during the British rule and handing culturally significant wisdom down from generation to generation. Such differences in daily practices, language, symbols and material artifacts helps produce a complex landscape of competing systems of meaning and interpretation.

By grounding our analysis in every-day life, and in ethnographic research into socio-technical concerns within the home, we reveal a complex set of ‘literacy’ practices. Today, new information, communication and entertainment technologies play an important role in India’s alternate literacy practices. The rapid adoption of mobile phone for instance bypasses textual interfaces.
in favor of voice but still promises the immediate distribution of ideas and the propagation of networks: MMS on the cell phone, voice over IP or video chat on the PC are not a privilege of the school educated alone, anymore. Public hangouts, where one could traditionally find only the rich, can now be seen with a mix of people from all different classes. The importance of access and know-how is the ‘new cool’ and is increasingly changing the way ‘power’ is being defined. This has also given rise to non-traditional forms of businesses. Anyone who has information can charge money for sharing it. Ranging from little children who know where new game CDs can be bought to housewives who can sell beauty products available only through distribution and membership to a specific social network, everyone has something someone wants and is carving an identity for themselves using this know-how. Similarly the centrality of television in Indian homes speaks volumes to the importance of stories in one’s own language, and the grammar of such content draws on traditional oral mythic cycles, Bollywood and the like.

We draw on examples that span from adoption and use of technology as a means to centrally locate oneself as key amongst the city’s social networks to the importance of landmarks in navigating the city. These examples are mined from ethnographic, quantitative and design research projects in India, conducted over the course of the last seven years by Intel researchers. These projects centered around a variety of topics including television, privacy and middle classes in India, the larger goals of which were to develop an understanding of the Indian home, practices and belief systems in and outside the Indian household, and the context of technology in Indian society. Hyderabad, Pune, Chandigarh, and Chennai were amongst the main sites where this research was conducted. In home interviews, participant observation, photo book exercises, focus groups, participatory design sessions, expert interviews (service providers, manufacturers, retailers) were some of the key methods used in the field during the research. Participants ranged from young adults representing the average Indian today, to middle and old aged men and women from all classes of the society. These are the stories of power, money, identity, opportunities and trusted social relationships shaped by local and non-traditional forms of literacy in India; they are the stories that never get told.

**Literacy By Proxy: India’s “Smaller” Fathers and Mothers**

Laurie Anderson, Arizona State University

“They automatically assume the role of half father (smaller father) who knows the technology as well.”

Illustrating that literacy can be an issue that extends beyond those in poverty, this study explores the socio-technological context of computer (and specifically internet) literacy among urban middle and upper class adolescents in India and their parents. In particular, this research on Indian adolescents and their parents examines the socio-cultural repercussions that occur when there is a disparity between their levels of literacy and the children are more literate. This disparity has repercussions for traditional power and socialization structures, especially in a culture such as India that has traditionally subscribed to narrow socialization practices.

Considerable socialization occurs through literacy. Because literacy is defined as socio-culturally embedded, it is intricately intertwined with socialization. Literacy brings about exposure to and competency at understanding and constructing symbols and texts previously inaccessible. In numerous instances, when younger people become more literate than their parents the power structure is shaken. This is strikingly true in emerging economies when the level of literacy, especially when considering technological literacy, often becomes very incongruent. Arnett (1995) distinguishes between two types of socialization: broad and narrow. In a culture that advocates narrow socialization, an emphasis is placed on obedience and conformity and deviation from the cultural norms are discouraged. In a culture that embraces broad socialization, independence, individualism, and self-expression are encouraged. Thus there would likely be a broad range of outcomes with this type of socialization. Arnett (1995) further suggests that since there are multiple socialization agents (family, media, school and work, peers, community, legal system and the cultural belief system), these influencers are not always aligned along the broad or narrow perspectives. Thus there can be different combinations of narrow and broad socializers within a culture. This study found that to be the case.

By grounding this study in the dialogue between socialization and literacy, the push-pull of tensions was evident. As might be expected, this study found that computer literacy broadened rather than maintained the narrow socialization typical of the family. Tensions were evident between the socialization that arose from the family and the socialization rooted in the internet. This manifested itself in a number of socio-cultural contexts. In particular, parents were concerned about the broadening of their children’s world and the resultant influence of those outside of their more narrowly defined group, community, caste, and even geographic location.

Within the narrow socialization process typical in India, there was tension between the family’s desire for the young adult’s success in education, careers and status that is associated with computer literacy and the desire for narrow socialization. And while, in this study, the young adults highlighted their enjoyment of this broadening, the study found that parents’ greatest concerns relative to the young adults’ literacy related to the conflict of this broadening with the many other socio-cultural processes of narrow socialization. This situation provided an interesting cultural dynamic when the literacy that resulted in this contestation was seen both as a necessary and crucial literacy for their children’s subsequent power in their culture but was also commingled with the narrow socialization processes that the Indian culture supports.

Creative solutions were found by families in this study that were consistent with the existing socio-cultural patterns. For example, we found that the main socialization responsibility regarding computer literacy was often shifted from the parents to the eldest sibling. In part, because of their higher computer literacy levels, these individuals were expected to guide and mentor their younger siblings in a way that would walk the line between the narrow and broader socialization presented in this socio-cultural context while maintaining their family’s values. Not only is this pattern consistent with socialization processes in a number of other domains, but it also, in the spirit of narrow socialization, still tightly embraces the young people within the environment of the family. The numerous other solutions developed by parents and young adults related to such socio-cultural aspects as gender, reputation, language, privacy and norms will also be discussed. On many dimensions, the results of this study stand in vivid contrast to parallel research that we conducted with young adult participants from the United States. This study involved in-depth interviews with young adults from India. All participants were either attending or graduated from college. They ranged in age from 21-25. They were living mainly in Kerala, Bangalore, Pune, and Calcutta.
Socially-Embedded Marketplace Literacy in Subsistence Contexts

Madhu Viswanathan, University of Illinois
Srivas Sridharan, University of Western Ontario

This research seeks to examine the nature of “marketplace literacy” in impoverished contexts in India. We describe findings from a research program conducted in one such context in Chennai, South India, and introduce the features of a socially-situated consumer literacy intervention developed based on the research. Our conclusions are based on qualitative data gathered intermittently over a 5-year period from 2001-2006 and quantitative data from one survey of 80 consumers in our research site, conducted in 2007.

Consumption in impoverished contexts has to occur amidst severe resource constraints, and is often at the level of mere subsistence. Resource constraints operative in such “subsistence” settings have to be construed in a broad sense, including not only material aspects but also those relating to literacy. Literacy in subsistence contexts has to be viewed in an equally broad sense, encompassing not only cognitive but also emotional and socioeconomic elements. This is consistent with recent efforts to broaden the domain of understanding consumer literacy (Adkins and Ozanne, 2005; Ozanne 2008, Viswanathan, Rosa, and Harris, 2005).

We find in our research that, even when confronted with myriad constraints, subsistence consumers find a way to cope with marketplace challenges. Far from leading rudimentary consumption lives, they often play out elaborate marketplace roles over time, the most striking example being a single individual spanning the traditional marketing roles of consumer, producer, and distributor all at once. We contend that consumers are able to cope by developing a socially-embedded form of marketplace literacy. Such literacy draws from the unconventional skills they seem to possess (e.g. mouth-arithmetic), unstructured learning processes (e.g. judging products by look and touch), carefully maintained social relations, as well as repetitive exposure to what is often a highly interpersonal 1-1 interactional marketplace.

While the literacy outcomes of skills and learning processes may be manifest predominantly at the individual level, those arising from social relations and marketplace experiences are likely to demonstrate significant socio-cultural embeddedness. In the specific environment in which we conducted our research, social relations are maintained both within the low-literacy compartment – presumably to impart social legitimacy (e.g. with other low-literate consumers and vendors), and outside it – presumably to facilitate social ascendancy (e.g. with a doctor, or literate children). Further, the marketplace environment allows for highly interpersonal and empathetic exchanges between often equally impoverished buyers and sellers. In this environment, buyer-seller relationships are formed largely as a result of idiosyncratic personal judgments (rather than impersonal, objective criteria), and are sustained over long periods of time by both parties who are dependent on one another for sustenance. We contend that such marketplace interactions, exchanges, and relationships can confer on individual consumers, a valuable store of “social capital” - the ability of individuals to secure benefits by virtue of their membership in social networks or other social structures (Portes 1998). Social capital, thus generated, is a valuable source of marketplace literacy.

Based on our findings, we instituted a marketplace literacy intervention for low-income, low-literate consumers in Chennai. The design of the program has three key characteristics: (1) it maintains a close correspondence with the social context in which the participants would conduct their real-life marketplace interactions (e.g. shopping simulations); (2) it emphasizes concrete and pictorial representation of all learning materials, to account for the cognitive limitations vis-à-vis abstract thinking, that low literacy is known to produce (Adkins and Ozanne, 2005; Viswanathan, Rosa, and Harris, 2005); (3) it builds or leverages existing social skills of participants (e.g. group learning, role-plays). In doing so, our intervention reflects a bottom-up perspective, constructed through an understanding of micro-level phenomena (e.g. buyer, seller, and marketplace behaviors). We believe that this approach distinguishes it from interventions inspired by macro-level economic or business strategy approaches in the literature, such as the base of the pyramid (BoP) approach (Prahalad, 2005).

Living at mere subsistence imposes tremendous strain on cognitive and emotional capabilities, thus significantly affecting consumer literacy. As this is combined with the stigma of low incomes and chronic subaltern existence, subsistence consumers face formidable challenges in playing their marketplace roles. Yet, as our research shows, there is evidence that they find ways to at least partially overcome these challenges by developing a socially-embedded version of marketplace literacy. Consumer researchers, practitioners, and policy makers must take the initiative to strengthen this propensity by complementing consumer efforts with meaningful literacy interventions. Our research and intervention experience suggests that such programs must acknowledge and account for the fact that subsistence contexts represent a complex ecosystem of marketplace activity, in which there is both tremendous deprivation and dynamism.

REFERENCES
Street, Brian (2001), Literacy and Development: Ethnographic Perspectives. London: Routledge.
The difficulties of engaging in qualitative research in China are well documented (Eckhardt 2004; Stening and Zhang 2007; Watkins-Mathys 2007). Some of the more prominent hurdles to overcome to get rich, insightful data in a Chinese context include a general tendency for people to be anxious in interview settings, and the reluctance of Chinese people to disclose their thoughts and opinions (Stening and Zhang 2007). Also, one’s place in the social hierarchy strongly influences how one responds to an interviewer (Eckhardt 2004). As marketing and consumer research becomes more global, the field of qualitative research needs to take a critical approach to the effectiveness of varying methodologies in varying cultural contexts.

In this film, we demonstrate a qualitative data collection method focusing on naturalistic group interviewing which is able to overcome many of the obstacles and result in rich, insightful data. Because attitudes, beliefs, opinions and values are formed at the group rather than the individual level in China, it is of utmost importance not to separate the group process of developing these opinions and values from their content (Eckhardt and Houston 2007). We demonstrate how the method works visually; reading transcripts alone cannot convey the type of interpersonal interactions that occurred during the interviews, nor can one get a sense of how comfortable and natural the discussions were.

The three primary methodologies used to create naturalistic discussions are (1) presenting Chinese consumers with scenarios that they can relate to, (2) breaching people’s expectations is what allows people to articulate underlying meaning systems, and (3) conducting interviews in naturally occurring social groups all lead to naturalistic discussions.

It is important for us to understand how these methods can be beneficial because when conducting research in a setting like China, interpretation is one of the most crucial aspects of qualitative marketing research. The sensemaking process must necessarily include the participants themselves, the local research partners, and the primary researchers, who are typically English speakers (Watkins-Mathys 2007). The process is necessarily more complex, and often alternate methods are needed to be able to navigate these multiple voices and end up with rich insights. Boddy (2007) reports on the most common types of projective techniques used in the Asia-Pacific region, and scenario completion is not one of them. We hope our introduction of this method leads to its increased usage in this region.

Additionally, naturalistic group interviewing can be utilized more in consumer culture research in numerous cultural contexts beyond the Chinese context. Although researchers periodically call for work that examines the social construction of various consumption activities, there has been very limited work which specifically uses the group as the unit of analysis. Ritson and Elliott (1999) studied how advertising meanings were socially constructed, and Coupland (2005) studied household dynamics in decision making, but there are scant other examples besides these. Naturalistic group interviewing can be a way to study social interactions and dynamics if one is not able to conduct a full-scale ethnography.

REFERENCES
In the United States misunderstandings of Middle Eastern women are particularly strong. As Read (2003) observes, “Cultural stereotypes of Arab-American women tend to collapse religion and ethnicity into synonymous components of culture, portraying them as veiled Islamic traditionalists” (p. 208). These misunderstandings are fueled by prejudice and are, if anything, stronger when it comes to Arab women in the Middle East rather than emigrants to the United States. While Western xenophobia and prejudices toward the Middle East and Islam have grown stronger since the September 11th attacks on the Twin Trade Towers, there is a long history of vilifying Arabs in Hollywood films (Shaheen 2001). These stereotypes of Arab women over a century of Hollywood films include those of the closeted, subservient, and oppressed wife, the exotic, scantily clad, and sexually seductive harem maiden, the fat, unattractive beast of burden, the shapeless, ululating bundle of black, and the mindless fanaticical terrorist. Never do we see normal Arab women at home with their families, in the office or workplace, or occupying professional positions as professors, engineers, or doctors. In other words, rather than portray a common humanity, Middle Eastern women are depicted in the Western media as objects, villains, threats, and victims.

By focusing on the home and gendered spaces and objects within it, our research presents a more accurate, normal, and human face for Qatari women. In so-doing, we hope to help create greater understanding as well as contribute to research streams concerning home, identity, culture, consumption, and gender. We sought to know what goes on behind the closed doors of the Middle Eastern household. As a crossroads of the Middle East, Qatar offers a unique opportunity to understand what is unique as well as what is common in Middle Eastern and Western values involving women, privacy, identity, and the home.

The consumption of spaces and places within our homes is expressive of culture. Using observation and ethnographic depth interviews with 30 middleclass Qatari families, we hoped to understand the meanings of home spaces and artifacts in their lives. We find that the home and its spaces and objects are encoded differently by men and women, particularly in terms of notions of privacy. Historically, the idea of personal versus shared spaces within homes is a relatively new one. Tuan (1982) shows that it is only within the last few hundred years that notions of privacy and of separate public and private spaces within the home have emerged. Notions of private space are also encoded architecturally and intimacy within the nuclear family is a concept that has grown as the presence of extended families sharing the same home has diminished. As Rybczynski (1986) points out, it was highly unusual for someone in the sixteenth century to have his or her own room and it was another century before people had rooms where they could retreat from the public view. In the process of privatization of areas of the home, individual family members began to think of areas of the home as being their territories (Altman 1975). Even when a particular area like the bathroom must be shared with other family members, it is common to temporarily claim private space for hygienic, purifying, and beautification rituals, on either a scheduled or first-come/first-served basis (Kira 1970). All of these distinctions are expanded in the Arabian Gulf. When these spaces are encroached upon by others, there is a sense of violation of privacy and person. There is therefore an inclination to formally or informally designate spaces and boundaries defining personal space, spaces for close kin, and spaces where gender-segregated friends, neighbors, and strangers can meet within the home.

The Middle Eastern sense of what is totally private is more absolute, due largely to the moral concerns of Islam. Within Arab Muslim homes, there is a sharper distinction between men’s and women’s spaces as well as transitional spaces in moving from one to another. Compared to the West there is also a sharper distinction in these homes between public and private space, often with high exterior perimeter walls and inward facing rooms. Furthermore, there is a sense of private space that a Muslim woman carries with her as she goes from home to marketplace. As Cooper (2001) found for women in Niger, creating and decorating a room of their own was extremely important to their identities as well as their sense of social and economic status. Although some (e.g., Nageeb 2004) have called this enclaving of space a “neo-harem,” reducing rather than increasing women’s sense of space and control over their lives, our informants find it liberating. While there are also gendered areas within Western households, we find sharper and more formally drawn boundaries within the present study in Qatar. The basis for these differences are cultural and do not arise from prescriptions within Islam, although there is disagreement on this point (Campos 1991; Nageeb 2004).

If clothing can be thought of as a second skin for the individual, home and personal possessions may be seen as a third skin defining who we are by forming a part of our extended self (Belk 1988). Wallendorf and Arnould (1985) found that Americans’ favorite objects were more likely to be linked to personal memories, while those from Muslim Niger were more likely to mention objects linked to social status. They also found gender differences, with men in Niger more likely to cite the Quran and women more likely to cite silver jewelry as well as objects given to them by others. On the other hand, we found less difference, with favorite possessions within the home likely to be sentimental objects, especially for women in our study. The present video focuses more on home spaces and provides a context for further on-going examination of favorite possessions.
**Enhancement or Dilution? Asymmetric Influence of Channel Fit on Beliefs and Evaluations of Functional and Symbolic Brands and Stores**

Kalpesh Kaushik Desai, SUNY-Binghamton, USA*
Kevin Lane Keller, Dartmouth College, USA

**EXTENDED ABSTRACT**

As branded products face increasing competition, marketers seek new channels to distribute their products in hopes of targeting distinct consumer segments e.g., Eddie Bauer luggage at Wal-Mart. Will selling at Wal-Mart hurt or help the evaluation of Eddie Bauer luggage? Will it strengthen or dilute its symbolic brand beliefs? From the perspective of Wal-Mart, will carrying a respected label such as Eddie Bauer have a beneficial or harmful effect on its store evaluation? In this study we investigate the influence of channel fit on the beliefs and evaluations of brands and on the evaluations of stores. Operationalizing brand and store images in terms of functional vs. symbolic, we define channel fit to be high when a functional brand is distributed through a functional vs. symbolic store and similarly for symbolic brand distributed through a symbolic vs. functional store. The same argument applies for functional stores carrying symbolic vs. symbolic brands and similarly for symbolic stores. Using prior literature in context effects, brand fit, functional-symbolic product concepts, and assimilation-contrast models as conceptual underpinnings, we extend the fit literature in branding (e.g., Loken and Roedder John 1993) by investigating the following four questions:

1) Is the influence of channel fit on evaluation moderated by the brand/store image such that are symbolic vs. functional brands/stores more vulnerable to the contextual influence of channel fit?

2) Is the influence of channel fit on evaluation moderated by whether the target product is a brand or store? Specifically, will brand image exert a more powerful fit influence on store evaluations than the other way around?

3) Is the link between poor channel fit-evaluation independent of the link between poor channel fit-brand beliefs. That is, will poor channel fit necessarily result in dilution of parent brand beliefs as suggested by prior research in brand extension?

4) Is the influence of symbolic image on functional brand and store evaluations are consistent and comparable to the influence of functional image on symbolic brand and store evaluations?

These questions have not been explored before and are important to investigate both for theoretical and managerial reasons. Theoretically, answers to above questions will extend our understanding of the link between fit-evaluations and fit-beliefs by exploring the moderating influences of the image of context stimulus (functional vs. symbolic) and the nature of the target product – store vs. individual brand (we posit individual brand image to exert stronger influence on store evaluation than store image’s influence on brand evaluations). They will also help us ascertain whether influence of symbolic image on functional brand and store evaluations are consistent and comparable to the influence of functional image on symbolic brand and store evaluations. Finally, they will also help us ascertain if (channel) fit influences evaluations and beliefs similarly or whether the two influences can be independent. Managerially, findings from this study will help brand managers ascertain if there are any underlying risks in distributing their brands through channels with poor fit and thus, which channels should they seek and which they should avoid. Similarly, store managers can decide if it is worth the risk of distributing brands which fit poorly with store image.

Our research, compared to the prior literature in multiple extrinsic cues (e.g., Chu and Chu 1994) and the contextual influence of one brand on the other (e.g., Buchanan, Simmons, and Bickart 1999) which have examined similar issues, is distinct in couple of ways. First, we examine the influence of store’s image on brand as well as the influence of brand’s image on the store. The latter has not been systematically investigated before. Findings from this research can help store managers decide which brands they should carry so as to positively leverage the images of those brands to its benefit. Second, compared to prior research which investigated similar effects by varying brand familiarity and attitude (Buchanan, Simmons, and Bickart 1999; Simonin and Ruth 1998), we controlled for brand familiarity and attitude and instead examined the influence of fit by varying the image of the brand (and store) – functional vs. symbolic. That is, even if both the store and the brand enjoy similar levels of familiarity and attitude, would the poor fit in terms of their respective images result in unfavorable evaluations as prior research would suggest (Loken and Roedder John 1993; Miyazaki, Grewal, and Goodstein 2005; Simonin and Ruth 1998) or would the influence of poor fit be more harsh on symbolic vs. functional brands and stores? Despite the ubiquity of brands assuming either a symbolic or functional image in the marketplace (Park, Jaworski, and MacInnis 1986), there is less empirical research about its influence (see Park, Milberg, and Lawson 1991for exception).

We investigated the above four research questions in an experiment with 99 undergraduates. We employed real store names (Functional = Wal-Mart vs. Symbolic = Lord & Taylor) and real brand names in four replicate categories (Symbolic = Calvin Klein vs. Functional = Wrangler jeans; Eddie Bauer vs. American Tourister luggage; Nike vs. New Balance athletic shoes; and Swatch vs. Timex hand watches) to make our findings externally valid and more generalizable.

Findings pertaining to stores revealed consumers perceived poor fit in symbolic stores carrying functional brands and functional stores carrying symbolic brands. In both cases, even though poor fit resulted in no difference in store attitude, consumers thought less positively about stores carrying image inconsistent brands. Thus, the influence of brand image on store evaluations was symmetric i.e., symbolic brands at functional stores carrying symbolic brands were just as much hurt as symbolic stores distributing functional brands. In contrast, the influence of store image on brand evaluation was asymmetric. Specifically, poor fit of distributing symbolic brands through functional stores resulted in lower likelihood to buy the brand but poor fit of distributing functional brands through symbolic stores did not lower the brands’ buying likelihood. Finally, there seems to be disconnect between the influence of store image on brand beliefs and brand evaluations. Despite the symbolic belief of symbolic brands being perceived stronger at functional store, the evaluations...
of symbolic brands was lower at functional vs. symbolic stores. Similarly, despite stronger functional beliefs at symbolic stores, the evaluation of functional brands at symbolic vs. functional stores did not differ.

REFERENCES
Brand Fit, Selective Hypothesis Testing, and Evaluation of Brand Extensions
Harish Kapoor, Acadia University, Canada

INTRODUCTION
The basic premise on which brand extensions are based is that consumers hold positive attitudes toward the parent brand that can be transferred to an extension without any negative consequences as long as there is a “fit” between the two (Aaker and Keller 1990). A survey of the literature on the evaluation of brand extensions readily suggests that most research on the evaluation of brand extensions has focused on the issues surrounding “fit” between the parent brand and the extension and moderating variables that affect this fit. A consequence of such a narrow focus on the role of fit has been that the findings from these studies are often based on the singular evaluation of a brand extension under consideration, that is, brands from the target category are neither explicitly mentioned nor included in the research design.

The assumption of singular evaluations of brand extensions is erroneous from both managerial and theoretical perspectives. Managerially, such an assumption is unrealistic where, with a few exceptions in which a brand extension establishes a new product category (such as, Crest’s Whitestrips), brand extensions are often introduced in categories that are rapidly growing, and a proposed extension would likely encounter competition from the pre-existing brands in the category. Theoretically, based on the brand positivity effect when individuals engage in singular evaluations (Kardes et al. 1993; Posavac et al. 2005; Posavac et al. 2004), they tend to overestimate the favorability of an object, thus, presenting misleading evaluations.

Selective Hypothesis Testing – In many decision contexts it is not uncommon for individuals to form a hypothesis to guide their judgment (Sanbonmatsu et al. 1998) and test its merits to draw conclusions. One of the key mechanisms of selective hypothesis testing is to establish an evaluation standard and judge the formulated hypothesis against this standard to achieve desired decision making goals. Such decision mechanism often results in biased decisions as the evidence inconsistent with the hypothesis is selectively discarded (Sanbonmatsu et al. 1998). Research in marketing on consumer judgments has shown that individuals typically overly favor a given alternative or consideration set due to the selective hypothesis testing mechanism underlying their judgments (Kardes et al. 2002; Posavac et al 2004; 2005).

Singular and Comparative Evaluation of Brand Extensions - From consumers’ perspective the goal in evaluating a brand extension is to predict its worth in relation to the parent brand using some measure of fit between the two (Broniarczyk and Alba 1994), thus, encouraging them to engage in selective hypothesis testing. This is true in particular when an hypothesis suggested by the context (matching of an extension with its parent brand) is salient and the task demands necessitate its evaluation (Sanbonmatsu et al. 1998) resulting in overvaluation of extensions.

Since most brand extensions are introduced into product categories with established brands that have strong associations with the category, the mere invoking of the competing brands or category associations should distract individuals from selective hypothesis testing and dilute the biases associated with singular tested (Sanbonmatsu et al. 1998). Therefore, comparative evaluation should result in a less favorable evaluation for brand extensions.

Brand positivity effects should only be present for the high-fit brand extensions and low-fit comparative evaluations should not differ from the low-fit singular evaluations as “poor-fit leads to negative attitudes,” (Sheinin 1998, p. 139) and the competitor product information would be inconsequential in a comparative context. Therefore, we propose that the singular evaluation of brand extensions, as opposed to high-fit comparative evaluations, results in higher evaluation ratings for high-fit brand extensions.

Methodology
Based on the results of pre-tests, six extensions were chosen for the study: All six brand extensions seemed logical to the respondents given their high fit ratings with the parent brand. The study was a within-subjects experiment in which respondents answered a series of questions relating to the evaluation of brand extensions before and after cuing the competing brands from the target category. The respondents were randomly assigned three of the six extensions. A total of 50, 69, 58, 57, 38, and 50 usable questionnaires were obtained for Kodak camcorder, Kleenex toilet paper, Sony laser printers, Heinz Frozen Pizza, Oakley Athletic Shoes, and Haagen-Dazs Yogurt extension scenarios, respectively.

The aggregate analysis showed that respondents significantly overestimated their evaluations of brand extensions (M = 6.16) before competing brands from the target category were cued (M = 5.86, t = 3.504, p < 0.001).

<table>
<thead>
<tr>
<th>Type of Extension Evaluation</th>
<th>Brand Fit and Extension Evaluations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Overall</td>
</tr>
<tr>
<td>Singular Comparative</td>
<td>6.16</td>
</tr>
<tr>
<td>t-tests</td>
<td>3.504, p &lt; 0.001</td>
</tr>
</tbody>
</table>

As proposed, only for the high-fit brand extensions singular evaluations were significantly higher than the joint evaluations. However this difference was not significant for the low-fit brand extensions. The detailed results are shown in Table-1.
Conclusions, Limitations and Future Research

Our findings indicate that highly rated brand extensions considered to be a good fit with the parent brand are not evaluated as favorably in the presence of competing brands as when they are evaluated on their own. The present study employed a within-subjects research design that might raise issues regarding the results obtained through the recency effect. We repeated the current study using a between-subjects research design with the same brand extensions and obtained findings similar to the ones from the current research that lend additional support to our findings. The results of the second study are not being discussed here due to the space constraints.

Future studies should examine the impact of target category structure, intensity of competition, consumer knowledge of the target category, and relative strengths of the parent brand and competing brands on the evaluation of brand extensions vis-à-vis the competing brands.

REFERENCES


EXTENDED ABSTRACT

Despite a substantial amount of studies on affect transfer, little research has been conducted on reciprocal transfer of image-based and performance-based brand association from line extensions and core brands. The purpose of the paper is to test the effect of extension innovativeness and parent brand salience on reciprocal transfer of image and performance associations. The results show that reciprocal transfer of brand associations is influenced by the innovativeness of the extension and the salience of the core brand but varies whether an association is image-based or performance-based. This paper suggests that a performance-based association reciprocally transfer from an extension to the parent brand notwithstanding of the innovativeness of the extension or the salience of the core brand. For image-based associations, reciprocal transfer is automatic for highly salient parent brand and highly innovative extensions but not for non-innovative extension. This paper is important as it fills a gap in the understanding of how newly launched line extension’s specific brand associations influence dilution of parent brands whether the extension is innovative and whether the parent brand is salient during launch.

The procedures first required the development of realistic, credible and valid visual stimuli. Eight printed advertisements for newly developed line extensions of a financial services product of a well-known Canadian bank and measurement scales were developed and were subjected to pre-testing. The pre-tests included: a) development and testing a list of associations strongly linked to the extension concept, to ensure that they were seen as different, and to allow testing of association reciprocal transfer. The objective of this pre-test was to generate a list of the most important brand associations related to the parent brand (established Canadian bank) and the new line extension (newly created financial division). Among different methods used to generate associations, Aaker (1991) describes two types: a) indirect qualitative methods and b) direct quantitative methods. Keller (1998, 1993) also described two methods (qualitative and quantitative) and proposed a typology of brand associations i.e. strong, favorable, and unique. This typology helps in generating exhaustive lists of associations. Keller (1998) has thus been more specific than Aaker (1991) regarding the form that questions should take.

The experimental procedures first required the development of realistic, credible and validated visual stimuli. Eight printed advertisements for newly developed line extensions of a financial services product of a well-known Canadian Bank, and measurement scales were developed and were subjected to pre-testing. The three pre-tests included: a) name selection for the extension concept (to ensure it was seen as neutral), b) test of evaluation of the parent brand as a functional brand (to ensure that both an upward and downward extension was feasible), c) advertisement copy testing (to ensure the low/high innovativeness positioning were seen respectively as upward/downward extensions of the parent brand) d) test of familiarity with the parent brand (to ensure that the extension was correctly viewed as a brand extension, e) developing and testing two lists of associations: one strongly linked to the parent brand and the second to the extension concept, to ensure that they were seen as different, and to allow testing of association transfer.

The study used an experimental design, based on a 2 x 2 between-subjects completely randomized factorial design with two levels of innovativeness of the extension (low / high), and two levels of salience of parent brand associations (high / low) and a control group. The dependent measure was based on a composite measure of brand associations measured in the extension first and then in the parent brand. Data was collected by a mail survey using a probability sample of 657 respondents, representative of the general population. Each respondent was randomly allocated to one of the eight experimental groups or to the control group and received a questionnaire specifically developed for the relevant group. The tests comparing respondents and non-respondents showed no evidence of non-response error.

The results show that the factors affecting reciprocal transfer from an extension to the parent brand are complex; while the study showed that the positioning of the extension (high or low innovativeness) and salience of the parent brand all influence the extent of reciprocal transfer of brand associations, the results cannot be explained by main effects alone but also by the type of association whether they are performance-related or image-related.

Findings suggest that reciprocal transfer of performance-related associations depends not only on the innovativeness of the extension but at the same time on the prior salience of the parent brand. A highly innovative extension may entice higher reciprocal transfer of brand associations than a non-innovative one, but the parent brand salience comes as a regulator. For example, it seems that for a performance-related association, and when the parent is highly salient, reciprocal transfer to the parent brand is strong whether the extension is highly or non-innovative confirming the impact of the presence of the parent during the assessment. In contrast, when the parent brand is not salient, reciprocal transfer will depend on the extension’s innovativeness.

When the extension’s association is image-related, the salience of the parent does not have an influence on reciprocal transfer as opposed to the extension’s innovativeness. Reciprocal transfer of an image-related association will be influenced equally whether the parent brand is present or not prior to the assessment. However, reciprocal transfer is suggested to occur only when the extension is highly innovative.

The paper contributes to a better understanding of reciprocal transfer of performance-related and image-related associations. The implications of the findings are theoretically and managerially important in terms of categorization in terms of how individuals infer reciprocal transfer of certain types of associations from an innovative extension from contextual salience of the parent brand. This paper is important as it fills a gap in the understanding of how newly launched line extension’s specific brand associations influence dilution of parent brands whether the extension is innovative and whether the parent brand is salient during launch.

REFERENCES


_________. V. Kumar and George S. Day (2001), Marketing Research, New-York, N.Y.: John Wiley & Sons.


---


Loken, Barbara & Deborah Roedder John (1993), Diluting brand beliefs: when do brand extensions have a negative impact? Journal of Marketing, 57 (July), 71-84.


When Numbers Are Frightening: Effects of Message Framing on Judgments of Risk and Behavioral Intentions
Nevena Koukova, Lehigh University, PA, USA
Joydeep Srivastava, University of Maryland, College Park, MD, USA

EXTENDED ABSTRACT
Consumers’ judgments of risks and benefits associated with specific products or issues may be highly susceptible to numerically framing of the “impact” information. For example, people rated cancer as riskier when it was described as killing 1,286 out of 10,000 people than when it was described as killing 24.14 out of 100 people (Yamagishi 1997). Likewise, communicating the possibility that a patient may exhibit violent behavior using a relative frequency (2 out of 10) led to higher perceived risk than did communicating the possibility by means of a comparable probability (20%; Slovic, Monahan and MacGregor 2000). Thus, the numerical framing may cause decision makers to respond differently to objectively equivalent descriptions of the same problem.

Consumers are often exposed to statistics similar to the ones presented above. Imagine that Consumer Reports has listed that 95% of the computers of a manufacturer are expected to operate without repairs, or that 19 out of 20 of the computers of the manufacturer are expected to operate without repairs. Will consumers draw different conclusions about the risks associated with buying a computer because of the numerical framing? What about when the risk communication is framed negatively – a statement indicating that 5% (vs. 1 out of 20) of the computers of a manufacturer are expected to require repairs? In this paper, we examine how attribute framing (positive vs. negative) and numerical framing (probability vs. relative frequency) affect consumers’ perceptions of risk and behavioral intentions. We also investigate the process driving the results, and demonstrate that affect mediates the framing effects on risk perceptions.

Our study investigates framing effects when the impact information is associated with a specific option or event evaluated independently. It is different from previous research on risky choice framing where several options differing in risk level are compared (e.g., the Asian disease problem, Tversky and Kahneman 1981) or when multiple options are evaluated jointly or separately (e.g., Hsee 1996). Although previous studies conclude that people perceive relative frequency expressions of likelihood as suggesting greater risk than equivalent probability expressions (e.g., Slovic et al. 2000), our study brings additional insights by investigating not only the combined effect of numerical and attribute framing on risk perceptions and the process behind the effect, but also by relating the risk perceptions to behaviors relevant to policy makers and marketers.

Building upon the cognitive-experiential self theory (e.g., Epstein et al. 1992; Kirkpatrick and Epstein 1994), affect-as-information (Schwarz and Clore 1988) and attribute framing (Levin et al. 1998), we hypothesize that attribute framing moderates the effect of numerical framing on consumers’ perceptions of risk and behavioral intentions. Also, perceived risk is proposed to mediate the effect of framing on risk-reducing behaviors and purchase intentions. Finally, we expect negative affect to mediate the numeric and attribute framing effects on risk perceptions.

We implement three studies to test the above hypotheses. In study 1 we show that under negative attribute framing respondents report higher perceived risk when the impact information is presented as relative frequency as compared to percentage; there is no difference in risk perceptions when the impact information is framed positively. Study 2 provides empirical support to our hypotheses that under negative attribute framing respondents are more likely to engage in risk-reducing behaviors under relative frequency as compared to percentage numeric framing, and this effect is mediated by perceived risk; there is no difference in risk perceptions and risk-reducing behaviors when the impact information is framed positively. We also rule out potential alternative explanations for the observed effect including numerical ability, expertise, risk aversion, style of processing, and visual imaging. Finally, study 3 provides empirical support to our proposed mechanism that negative affect mediates the effect of numeric and attribute framing on risk perceptions. We also extend the results of study 2 by showing that risk perceptions affect not only the risk-reducing behaviors in which consumers may engage, but also their product purchase likelihood.

Our study contributes to the framing literature by showing the conditions in which relative frequency and percentage framing have a differential effect on consumers’ perceptions and behavioral intentions. We provide evidence that biases associated with numerically framing the impact information can be minimized by framing the risk communication in a positive manner. Further, we relate the risk perceptions to behaviors relevant to policy makers and marketers (e.g., importance of a warranty and likelihood to buy a warranty).

Our study also adds to the growing literature in the area of affect-as-information. We provide evidence that the framing of the impact information per se can be used as a piece of information that affects consumers’ perceptions, attitudes and behaviors. Adding to previous studies that have demonstrated the importance of affective reactions in the context of risky choice framing and risk-benefit analysis (e.g., Rottenstreich and Hsee 2001; Finucane et al. 2000), we suggest that affective reactions can be also triggered by impact information presented in various formats.

From a practical point of view, our study suggests how risk communications can be made more effective and instrumental in promoting positive and reducing negative consumer behaviors and outcomes. Specifically, consumers may be encouraged to engage in risk-reducing behaviors (e.g., breast self-examination, AIDS preventive behaviors) by using negative relative frequency framing in risk communications. Further, consumers may be made aware of framing techniques that marketers use to increase the likelihood of purchasing unnecessary products or services, and be educated on how to avoid access spending (e.g., buying insurance, gambling). Last but not least, companies may try to adopt relative frequency negative framing as a part of their communications in order to encourage consumers to buy options and value-added services (e.g., extended warranty) that will be beneficial for the consumers and improve their overall product experience.

REFERENCES


"Double-Standard" or "Sensible Positioning": What Factors Influence Consumers’ Authenticity Evaluation of Off-shore Manufactured Brands?

Martin Jen-Yuan Liu, Warwick Business School, U.K.
Qing Wang, Warwick Business School, U.K.

ABSTRACT

This paper proposes that in the situation of off-shore manufactured brands where indexical authenticity is inherently low, higher authenticity evaluation can be managed and communicated via marketing positioning strategy that takes into account both brand type and consumer expertise and utilizes cues from different dimensions of authenticity. In two experimental studies we found that: (1) a brand elicits higher authenticity evaluation when paired with incongruent marketing positioning images than when paired with congruent marketing positioning images and (2) consumers’ expertise significantly influence their ability to process brand attributes, which in turn affects their authenticity evaluation of the brand. The findings have important implications for market positioning and brand management.

(EXTENDED ABSTRACT)

Objective

Global sourcing activities where country of origin (COO) of a brand is incongruent with country-of-manufacturing (COM), may undermine the authentic value of the brands (e.g. Holt 2002). However, although most researchers (e.g., Beverland and Luxton 2005; Leigh et al. 2006) agree that authenticity evaluation can be managed and cues for communicating authenticity should maintain consistency, the conditions under which, and the process by which, cues for managing and communicating authenticity are evaluated remain unclear. Therefore, the present research designs two experimental studies to examine 1) the effect of different marketing positioning images on consumers’ authenticity evaluation when incongruent COO-COM cue occurs, and 2) the effect of different brand attributes on consumers’ authenticity evaluation due to differences in their expertise, and consequently their differing ability to elaborate on brand attributes.

Conceptual Background

Existing research suggests that authenticity is associated with evidence and truth, and that consumers’ evaluation of cues for communicating ‘truth’ and ‘evidence’ is at the foundation of the dialogue between marketers and consumers over what is (or is not) authentic. Grayson and Martinec (2004) identified two dimensions of authenticity based on the semiotic model developed by Peirce (1998). Indexical authenticity refers to an object to have actual and spatiotemporal link with the object in question whereas iconic authenticity refers to something whose physical manifestation resembles something that is indexically authentic.

Meanwhile, a brand contains both symbolic and utilitarian elements. The symbolic element is related to sensory attributes, and focuses on consummatory affective gratification, whereas the utilitarian element is related to functional and non-sensory attributes and focuses on instrumental expectations (Roth 1995; Dhar and Wertensbroch 2000). Marketing positioning strategy may either elicit in the mind of consumers symbolic association or utilitarian association of a brand. Drawing from the multidimensional authenticity framework to studying off-shore manufactured brands, the iconic authenticity refers to the products looking like ‘the kind of thing’ that would be produced by the brand owner (i.e. indexical authenticity), although they are not actually produced by the brand owner. Therefore the indexical authenticity of off shore manufactured brands is inherently low.

Since the sensation we get from perceiving the sign (i.e. iconic cues) is similar to the sensation we get when perceiving the object, iconicity is more replicable than indexicality (Grayson 1998). Meanwhile, for brands that are high in symbolic association, consumers will have higher demand for truth than for evidence, thus their need for indexical authenticity will be higher than for iconic authenticity. On the contrary, for brands that are higher in utilitarian association, consumers will have higher demand for evidence than for absolute truth, thus their need for iconic authenticity is relatively higher than their need for indexical authenticity. Therefore in two experimental studies we hypothesize that:

H1: Incongruent Country of Origin (COO) and Country of Manufacturing (COM) will trigger consumers’ authenticity evaluation.

H2: Compared to utilitarian type of brand, symbolic type of brand will have lower authenticity evaluation.

H3: For off-shore manufactured symbolic brand, incongruent marketing image (i.e. image that elicits utilitarian association) will result in higher authenticity evaluation than congruent marketing image (i.e. image that elicits symbolic association).

H4: For off-shore manufactured utilitarian brand, incongruent marketing image (i.e. image that elicits symbolic association) will result in higher authenticity evaluation than congruent marketing image (i.e. image that elicits utilitarian association).

In addition, when asked to evaluate authenticity of a particular market offering, experts are likely engaging the mode of automaticity which will result in perceptual imperfections as they are more likely to try to recall an answer rather than re-evaluate them based on additional information (i.e. brand attributes or iconic cues).

H5: Expert consumers are likely to form authenticity evaluation only based on indexical cues.

H6: Expert consumers’ authenticity evaluation is unlikely to be influenced by the strength of additional iconic cues.

On the other hand, novices tend to adopt a more concrete schemata compared to experts (Chi et al. 1982; et al. 1992) that promotes more data-driven processing (Laniberti and Newsonie 1989). Therefore compared to experts, novices are more likely to detect and use the additional product information (i.e. iconic cues). In the meantime, past research (e.g. Maheswaran 1994; Gurhan-Canli and Maheswaran 2000) indicate that COO information also influence how novices interpret product attributes when evaluating...
products, but owing to lack of domain specific knowledge, they prefer standard, easy to understand and less ambiguous product attribute information.

**H7:** Novice consumers will form their evaluation of authenticity based on both indexical and iconic cues.

**H8:** Short iconic cues will have greater effect on novice consumers’ evaluation of authenticity than excessive iconic cues.

### Research Methods

We used two experiments to test our hypothesis. Sixty-six students participated in Study 1. The result of a preliminary focus group study showed that even for off-shored manufactured brands where COO and COM are incongruent, some combinations of COO and COM were perceived more favorably than some others. For example, a German car brand (e.g. BMW) combined with Chinese manufacturing was perceived less favorably than a Korean car brand (e.g. Hyundai) combined with Chinese manufacturing. Therefore, we manipulated COO-COM incongruent combinations and marketing communication images. The favorable versus unfavorable COO-COM combinations were anchored by symbolic or utilitarian brand type. The Images were designed to elicit either symbolic or utilitarian associations. The study described as concerning new automobile. The data was analyzed by a 2 (COO-COM Types) x 2 (Image Types).

Eighty-four students participated in Study 2 where we manipulated marketing communication types and length of brand attributes. The images were designed for the same purpose as in study one. Length of product attributes were either short or excessive. A computer knowledge questionnaire were administered to classify respondents into either experts or novices for data analysis. The data was analyzed by a 2 (Expert vs. Novices) x 2 (Images Types) x 2 (Types of Product Attributes).

### Results and Major Findings

All hypothesis for study 1 (H1, H2, H3 and H4) were supported. The findings reveal that for off-shored manufactured brands where COO and COM are incongruent, it is likely to trigger in consumers the need for authenticity evaluation. Without marketing intervention, the inherently low indexicality nature of off-shored manufactured brand is likely to result in low authenticity evaluation, particularly for brands with higher symbolic association. However higher authenticity evaluation can still be managed and communicated by sensible marketing positioning via cues from iconicity -another dimension of authenticity. Specifically, we found that off-shored manufactured brands will yield higher authenticity evaluation when coupled with incongruent marketing image (i.e. image that elicits symbolic association for utilitarian type of brand or image that elicits utilitarian association for symbolic type of brand) than when coupled with congruent marketing image.

All hypothesis for study 2 (H5, H6, H7 and H8) were also supported. The findings identify different standards used by experts and novices for the evaluation of authenticity. While experts base their authenticity evaluation on the indexical cues (i.e. COO and COM incongruence) novice consumers base their authenticity evaluation on both indexical and iconic cues. In addition, novices with simpler knowledge structure find short and concise product attributes a better interpretant to learn more about the product which in turn yield better authenticity evaluation.

### Reference


EXTENDED ABSTRACT

Research has substantiated the association between weather and unrelated consumer behaviors. It has linked changes in states of weather to helping behavior (Cunningham 1979), consumer satisfaction (Mittal, Kamakura, and Govind 2004), consumer choice (Fergus 1999), retail sales (Starr-McCluer 2000), and stock returns (Hirschleifer and Shumway 2003) amongst others. In most of the studies in this stream, positive weather (e.g. presence of sunshine) has been linked to positive outcome (e.g. more helping behavior) and vice versa. The underlying assumption in all these studies examining the link between weather and consumption is that affect mediates this relationship. That is, weather manipulates affect which in turn influences behavior.

Recently, researchers have started focusing on the relation between weather and a specific type of consumer behavior – hedonic consumption. Weather has been found to affect aggregate consumption differences across countries for products such as alcohol, and coffee (Parker and Tavassoli 2000); purchase of lottery tickets (Bruyneel et al. 2005); and individual level consumption differences for variety of hedonic goods such as tobacco, food products (chocolate, cookies), and even choice of gift cards for stores varying in their degree of hedonicty (Govind, Garg, and Mittal 2008). In addition to demonstrating the relation between weather and hedonic consumption, Govind et al. (2008) also establish weather-induced affect as the driving force behind the weather-consumption relationship.

Given that hedonic consumption is vulnerable to contextual factors like advertising (Wansink and Ray 1996), packaging (Wansink 1996), and affect (Garg, Wansink, and Inman 2007); and that social marketing is concerned with increasing consumer and societal welfare by controlling (negative) hedonic consumption, it will be insightful to understand the role of weather, an exogenous factor, on consumption and the regional variations in the relationship. Thus, the current research will not only seek to replicate the weather-hedonic consumption association established by prior research but also, extend the literature by examining geographical variations in that relationship. Specifically, the current research will seek to answer questions such as, “will the impact of changes in amount of sunlight on hedonic consumption be the same in the east coast (which displays huge annual differences in temperature) as compared to the west coast (which displays less variance)?” This is important from the perspective of policy makers who spend millions of dollars in resources to manage and curb hedonic consumption.

The analysis utilizes secondary data from the entire continental United States on the consumption of two negative hedonic products, tobacco and alcohol consumption. Weather data consisted of twenty weather variables from The National Oceanic and Atmospheric Administration. In line with the prior literature, negative weather conditions are characterized by lower temperatures, reduced sunlight and increased precipitation. In addition to these factors, we include several unstudied factors such as danger due to hail, tornado and wind. We suspect that an increase in these weather risk factors will also increase hedonic consumption. In addition to the weather variables, we also include socio-economic and demographic factors since prior research has found these variables to have an effect on the consumption of products such as alcohol and tobacco.

We first conduct a factor analysis on the twenty weather variables to reduce the impact of multi-collinearity and to make the subsequent predictions more actionable. The resulting three factors are labeled as, (1) The Temperature Based Factor (2) The Weather-Risk Based Factor and (3) The Precipitation Based Factor. An Ordinary Least Squares (OLS) analysis was then conducted to establish the effect of weather (i.e. the three weather based factors) on hedonic consumption (alcohol and tobacco consumption) across the entire United States with each zip-code acting as a single data point. This analysis controlled for the effects of socio-economic and demographic variables such as income and age, which have been known to impact the consumption of the two hedonic goods. Following this, we explored regional patterns in the effect of weather on hedonic consumption by using Geographically Weighted Regression (GWR). This technique has some important advantages for our current research. For example, the assumption of OLS that the effect of weather on hedonic consumption is homogeneous across the country is not strictly reasonable. GWR addresses this problem by providing one set of coefficients for each zip code area, taking their special characteristics into consideration.

In addition to showing a significant association between weather factors and hedonic consumption, we find evidence of the space varying nature of the relationship across the US. Specifically, as the weather factors deteriorate, consumers become more likely to increase their consumption of tobacco and alcohol. Furthermore, in our analysis of regional patterns in the weather effects on consumption for these negative, hedonic products, we find that regions in the continental United States exhibit distinct spatial patterns in terms of their susceptibility to negative consumption with changes in weather. For example, the effect of changes in temperature on the consumption of alcohol is higher in the North-Eastern United States as compared to the Southern United States.

Although these regional patterns might differ based on the hedonic product being considered, it is clear that they vary significantly with shifts in weather conditions and that policy/ marketing initiatives designed to influence consumption of such products should adequately account for these patterns. Thus, stakeholders can utilize our findings to implement concrete policies based on the specific needs of the regions and consumers’ propensity to succumb to inclement weather factors. Such focused effort can result in enhancing the effectiveness of these initiatives from both, the monetary and the social welfare aspects.

REFERENCES


Denton, Margaret and Vivienne Walters (1999), “Gender Differences in Structural and Behavioral Determinants of Health: An Analysis of the Social Production of Health,” Social Science & Medicine, 48 (9), 1221-35.


The Effects of Conceptual Priming on Stimulus-Based Choice
Antonia Mantonakis, Brock University, Faculty of Business
Carolyn Yoon, Stephen M. Ross School of Business, University of Michigan

INTRODUCTION

Conceptual priming occurs when a meaningful stimulus (the “prime”) prepares a person to perceive a target that is semantically related to the prime. Flashing the prime “Mr. Sub” on a computer screen may subsequently make a person read the target “Quizno’s” (semantically-related to “Mr. Sub”) faster than if the prime “Pantene” were flashed (there is no semantic relation between “Pantene” and “Mr. Sub”). Conceptual priming of brands increases memory-based choice probability (Nedungadi 1990). Flashing “Mr. Sub” makes a person more likely to include “Quizno’s” in the consideration set and choose it in a memory-based choice task. Perceptual priming occurs when a prime that is a close perceptual match to the target (e.g., in form or color) prepares a person to perceive the target. Flashing the prime “Burger King” on the computer screen may make a person read a perceptually-identical target “Burger King” faster than if the prime “Pantene” were flashed. Perceptual priming of brands increases stimulus-based choice probability (Lee 2002).

Lee (2002) observed that a brand that was conceptually primed (e.g., by prior exposure to meaningful ad copy) benefitted in a memory-based choice setting, because the brand would be more likely to be brought to mind and included in a consideration set. A brand that was perceptually primed (e.g., by prior exposure to the brand) benefitted in a stimulus-based choice setting. Taken together, Lee showed that perceptual (conceptual) priming of brands increases stimulus-based (memory-based) choice probability, and argued that conceptual and perceptual knowledge stores represent distinct constructs within implicit memory.

The effects of priming on choice depend on the match in cognitive operations between the requirements of the choice task and the type of priming that occurs (Lee 2002). Stimulus-based choice settings (e.g., choice of cereal brands in a grocery store aisle) demand identification and recognition. Thus, prior visual exposure to a brand that involves passive perception (e.g., an image of the product) would benefit stimulus-based choice of the brand. In contrast, memory-based choices are sensitive only to interventions involving conceptual processing; there is an overlap in cognitive operations between processing the prime, which involves elaborative processing about the meaning, and generating the target for inclusion in the consideration set (i.e., retrieval based on associations). The differential priming effects for memory- and stimulus-based choices demonstrate encoding specificity, which is the idea that the effects of priming on later tasks depends on the match in cognitive operations between the requirements of the task and the type of priming that took place (Tulving and Thompson 1973).

We concur with Lee’s (2002) assertion about the relevance of the encoding specificity principle to the effects of priming on choice. However, we note that consumer choices in memory-based settings are also more effortful than in stimulus-based settings. In Lee’s studies elaboration and effort were confounded. The level of effort required for the target (high for memory-based, low for stimulus-based) matched the level of effort required to encode the prime (high for memory-based, low for stimulus-based). Effort is high in memory-based choice because a person has to generate alternatives to be included in the consideration set. Thus, Lee’s finding that a prior exposure to a prime involving relatively passive perception benefits only stimulus-based choice of the target can also be accounted for by the relatively low level of effort required by stimulus-based choice in her experiments.

We proposed that conceptual priming can have an effect on stimulus-based choice if the levels of effort required to process the prime and the effort required to process the target in the choice task are similarly low. We suggested that conceptual priming effects on stimulus-based choice will be observed when the level of effort required during exposure to the prime matches the level of effort required to process the target during choice. We predicted that if conceptual priming requires relatively effortless processing (e.g., a billboard slogan), and the choice setting requires minimal cognitive effort (as is the case for stimulus-based choices), then effects of conceptual priming should be observed in stimulus-based choices which are less effortful than memory-based choices.

Results of experiment 1 supported our hypotheses about the effects of conceptual priming on stimulus-based choice; however, it was not entirely clear how the increase in stimulus-based choice likelihood for the brands occurred. Results of experiment 2 supported the hypotheses that conceptual priming increased accessibility of the category, which then increased accessibility of the more prototypical brands of the category because they are also strongly associated with the category. Weak brands within the category also received increases in accessibility, although the increases were not as large as those for the strong brands. Thus weak brands were at a competitive disadvantage when in the same choice set as strong brands whose accessibility was enhanced. In summary, the relationship between accessibility strength and probability of stimulus-based choice is in the same direction for strong brands (increased accessibility from conceptual priming is associated with an increase in stimulus-based choice probability) and in opposite directions for weak brands (increased accessibility from conceptual priming is associated with a decrease in stimulus-based choice probability).

We introduce the idea that specificity not only involves elaboration (Lee 2002), but also effort. We reasoned that the level of effort involved can predict an effect of conceptual priming on stimulus-based choice; however, it is not predicted by the assumptions of the “separate systems” account of implicit memory, which suggests that conceptual and perceptual stores of knowledge exist which account for separate influences of conceptual (perceptual) priming on memory-based (stimulus-based) choice (Lee 2002). Thus, we have outlined predictions about choices that can be outcomes of both conceptual and perceptual priming, through a single set of underlying principles: matching effort required during priming and choice decision (Mantonakis, Whittlesea and Yoon 2008). Our finding of conceptual priming effects on stimulus-based choice is at least challenging for proponents of separate-systems accounts of memory as it requires them to provide functional explanations at a deeper level than the notion that there are two kinds of knowledge, and therefore two memory systems specialized to deal with them.

The implicit/explicit memory distinction emphasizes the differential role of consciousness in performance, distinguishing between tasks in which awareness of prior exposure is important (tasks that cue the “explicit” system), versus tasks that depend on associative priming (tasks that engage the “implicit” system; Graf and Schacter 1985). Priming occurs when a stimulus (the “prime”) prepares a person to perceive or retrieve a target. Priming is
indexed by an increase in probability of reporting (or identifying) a target, relative to a baseline of reporting (or identifying) “non-primed” targets (Jacob and Dallas 1981). A common method used in priming studies involves exposing participants to a prime, and in a subsequent test having participants read the target; the experimenter records the reaction time to reading a target. Another type of test entails having participants report an item, such as listing a brand to be included in a consideration set. Under many conditions, priming tasks may be better measures of advertising effectiveness than explicit measures such as recall (Lee 2002). Although priming itself is based on specific prior exposures, performing the tasks that demonstrate priming has taken place does not require the person to report a conscious reference to prior episodes in memory.

Within the implicit system, there are two kinds of knowledge, conceptual and perceptual, and there are two sub-systems specialized to deal with them (Lee 2002). That is, conceptual knowledge and perceptual knowledge each have their own specialized processing systems.

Conceptual priming occurs when a meaningful prime prepares a person to perceive a target that is semantically related to the prime. For example, flashing the prime “Mr. Sub” on a computer screen may subsequently make a person read the target “Quizno’s” (semantically-related to “Mr. Sub”) faster than if the prime “Pantene” were flashed (there is no semantic relation between “Pantene” and “Mr. Sub”). Conceptual priming of brands increases memory-based choice probability (Nedungadi 1990). That is, flashing “Mr. Sub” makes a person more likely to include “Quizno’s” in the consideration set and to choose it in a memory-based choice task. Perceptual priming occurs when a prime that is a close perceptual match to the target (e.g., in form, color, label-font, or other physical characteristics) prepares a person to perceive the target. For example, flashing the prime “Burger King” on a computer screen may make a person read a perceptually-identical target “Burger King” faster than if the prime “Pantene” were flashed. Perceptual priming of brands increases stimulus-based choice probability (Lee 2002): Flashing “Burger King” makes a person more likely to choose “Burger King” in a stimulus-based choice setting.

Lee (2002) proposed that whereas perceptual priming of brands increases stimulus-based but not memory-based choice probability, conceptual priming of brands increases memory-based but not stimulus-based choice probability. Lee showed that a brand that was conceptually primed (for example by prior exposure to meaningful ad copy) would benefit in a memory-based choice setting, because the brand would be more likely to be brought to mind and included in a consideration set. On the other hand, a brand that was perceptually primed (for example by prior exposure to the product’s brand name) would benefit in a stimulus-based choice setting. This imposes a constraint on the types of actions (e.g., ad copy) that may be used effectively by marketers of offerings in stimulus-based choice situations.

The effects of priming on choice depend on the match in cognitive operations between the requirements of the choice task and the type of priming that occurs (Lee 2002). To illustrate, stimulus-based choice settings (e.g., choice of cereal brands in a grocery store aisle) demand identification and recognition. Thus, prior visual exposure to a brand that involves passive perception (e.g., an image of the product) would benefit stimulus-based choice of the brand. In contrast, memory-based choices are sensitive only to interventions involving conceptual processing; there is an overlap in cognitive operations between processing the prime, which involves elaborative processing about the meaning, and generating the target for inclusion in the consideration set (i.e., retrieval based on associations). The differential priming effects for memory- and stimulus-based choices (Lee 2002) demonstrate encoding specificity, which is the idea that the effects of priming on later tasks depends on the match in cognitive operations between the requirements of the task and the type of priming that took place (Tulving and Thompson 1973).

We concur with Lee’s (2002) assertion about the relevance of the encoding specificity principle to the effects of priming on choice. However, we note that consumer choices in memory-based settings are also more effortful than in stimulus-based settings; the level of elaboration is only one aspect of cognitive processes involved in choice; effort is also important. In Lee’s studies, only elaboration was explicitly accounted for; elaboration and effort were confounded (Figure 1).

**FIGURE 1**
Effects of Conceptual versus Perceptual Priming on Memory- versus Stimulus-Based Choice

<table>
<thead>
<tr>
<th>Conceptual Priming (high effort cognitive processing)</th>
<th>Perceptual Priming (low effort cognitive processing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memory-Based Choice (high effort decision)</td>
<td>Stimulus-Based Choice (low effort decision)</td>
</tr>
</tbody>
</table>

*Note: This diagram summarizes our explanation of Lee’s (2002) observation of a double dissociation (whereby conceptual priming affected only memory-based choice, whereas perceptual priming affected only stimulus-based choice). We argue that the conceptual priming manipulation and memory-based choice task required high elaboration and high effort, whereas the perceptual priming manipulation and stimulus-based choice task required low elaboration and low effort. We argue that elaboration and effort were confounded.*

The level of processing effort required for the target (high for memory-based, low for stimulus-based) matched the level of effort required to encode the prime (high for memory-based, low for stimulus-based). Effort is high in memory-based choice because a person has to generate alternatives to be included in
the consideration set. Prior exposure to a prime that requires extensive elaboration (e.g., elaborative ad copy) also requires more effort, which would benefit memory-based choice for the target. In contrast, stimulus-based choice involves recognition, which is less effortful than the processing involved in memory-based choice. A prior exposure to a prime that does not require elaboration (e.g., straightforward ad copy) also requires less effort to process.

Thus, Lee’s finding that a prior exposure to a prime involving relatively passive perception benefits only stimulus-based choice of the target can also be accounted for by the relatively low level of effort required by stimulus-based choice in her experiments (cf. Kolvers 1973; Hughes and Whittlesea 2003). We argue that, under some conditions, for example when consumers are bombarded with advertisements, processing of conceptual primes may also become virtually automatic and involve little effort such that they facilitate stimulus-based choice of the target.

We propose that conceptual priming can have an effect on stimulus-based choice if the levels of effort required to process the prime and the effort required to process the target in the choice task are similarly low (Figure 2). We suggest the idea that facilitation in cognitive processing of a target from exposure to a prime depends on the match in effort between what is required in the choice task and during exposure to the prime. More specifically, we suggest that conceptual priming effects on stimulus-based choice will be observed when the level of effort required during exposure to the prime matches the level of effort required to process the target during choice. Based on this reasoning, we predict that if conceptual priming requires relatively effortless processing (e.g., a billboard slogan), and the choice setting requires minimal cognitive effort (as is the case for stimulus-based choices), then effects of conceptual priming should be observed in stimulus-based choices which are less effortful than memory-based choices. This finding would imply that marketers should explicitly consider the amount of effort involved in the typical choice situations for the brands that they manage. The level of effort required by the choice should influence the types of marketing interventions employed to increase sales.

FIGURE 2
Effects of Conceptual Priming on Stimulus-Based Choice

![Diagram showing Conceptual Priming and Perceptual Priming with Memory-Based Choice and Stimulus-Based Choice]

Note: We use a low effort conceptual priming manipulation to demonstrate effects of conceptual priming on stimulus-based choice.

If conceptual priming leads to changes in stimulus-based choice as we propose, there are significant theoretical implications. Lee’s (2002) finding of a “double dissociation” (i.e., memory-based choices are sensitive to interventions that involve conceptual priming but not perceptual priming, and stimulus-based choices are sensitive to interventions that involve perceptual priming but not conceptual priming) was the basis for the conclusion that conceptual and perceptual systems are separate systems in implicit memory. If conceptual priming leads to changes in stimulus-based choice, it would undermine the argument for separate systems. It would require proponents of separate systems to argue at a deeper level as to why it would be necessary to account for a distinct knowledge processing system that is differentially sensitive to conceptual priming. That is, proponents would have to answer why it would be the case that a separate conceptual system is necessary to specialize in memory-based choices.

What is needed to test our conjecture that variations in effortfulness of processing conceptual primes will have differential effects on stimulus-based choice is prime stimuli that are low (versus high) in effort-to-process. To develop our stimulus set, we conducted two pilot studies: One group of participants generated a list of brands for several product categories; a second group rank-ordered each brand based on prototypicality within its category. Given that the most prototypical items in such lists are known also to be more fluently processed than less prototypical items (Whittlesea 2002), our hypotheses incorporate the role of processing fluency (cf. Lee 2002). Consistent with attributional accounts of memory, we define processing fluency not as sheer speed of processing, but rather as the degree to which a stimulus, or component features of a stimulus, are consistent with current expectations of the category in which they belong (Whittlesea and Williams 1998). For example, McDonald's, a prototypical fast food brand, would be more consistent with expectations for the product category evoked by the conceptual prime “Burger King”, versus a prime such as “Joe’s Deli”. Accordingly, McDonald’s should benefit more than a less prototypical brand (because of an advantage in fluency) in a stimulus-based choice setting.

Previous research on the effects of conceptual priming on memory-based choice found that there was no benefit to the most prototypical brand, because it was already chosen at such a high rate, in other words there was a ceiling effect in memory-based choice (Nedungadi 1990). Although we are using a stimulus-based choice task, we still may run into a ceiling effect of this nature. In order to answer the question of whether a benefit to more prototypical brands will result from conceptual priming (by exposure to conceptual primes) we chose to include the “second-most prototypical” brand in the choice set. We reasoned that this brand may exhibit substantial variability in choice, and would not be insensitive to our manipulation because of a ceiling effect.

Prototypical brands in product categories are a good fit to the general theme of the product category, more so than less prototypical brands. Therefore prototypical brands should benefit
more than other brands from conceptual priming in stimulus-based choice settings.

H1: Conceptual primes related to a product will prime a general theme related to the product, causing increased processing fluency for the stronger, more prototypical brands in the category and lead to an increase in stimulus-based choice for prototypical brands.

It is a well known finding that increasing prominence (which pertains to any marketing variable related to salience, including usage) of one brand can impair recall of competing brands in the same category (Alba and Chattopadhyay 1985; 1986). Given our prediction that conceptual priming may cause an increased likelihood of choice of the most prototypical brand in that category (hypothesis 1), we expected that the increased processing fluency of the most prototypical brand would constitute a form of prominence at the expense of the weaker brands in the category. Critically, this notion of a detriment to a competing brand has not been examined in a stimulus-based choice context, and the test of salience resulting in the most detriment to a weaker brand has also not been examined.

H2: Conceptual primes related to a product will prime a general theme related to the product, causing increased processing fluency of the stronger, more prototypical brands in the category and lead to a decrease in stimulus-based choice probability for the least prototypical brands.

In experiment 1, we investigate the effects of conceptual priming on stimulus-based choice of brands not seen at exposure (henceforth “lures”). We predict that, if any beneficial effect were to emerge in a stimulus-based choice setting, the effect would be for stronger (i.e., more prototypical) rather than weak brand lures, leading to an increase in stimulus-based choice for stronger brand lures. In fact, given such a benefit to stronger brand lures, there would be a detriment to weak brand lures in the choice set, leading to a decrease in stimulus-based choice probability for the weak brand lures. Thus, the effects of conceptual priming on stimulus-based choice are expected to be in opposite directions for stronger versus weak brands.

For the first of the pilot studies, 16 students from a large northwestern university participated. The experimenter provided all the participants with 63 product categories (e.g., Condiments, Popcorn), and for each product category, asked participants to (a) generate and write down 15 associates (i.e., words that best describe the product category), and (b) provide the most representative or prototypical brand name. The experimenter provided an example using the category Pop with the associates: fizz, caffeine, red, soda, drink, sugar, sweet, vending, can, bottle, diet, and the prototype brand Coke.

After examining the associates and brand prototypes provided by participants for each of the 63 categories, we selected 28 categories that definitively produced at least five brands and nine associates (generated across participants) for use in the second pilot study. For the second pilot study, we recruited another set of 16 participants. The experimenter provided participants with the 28 categories along with each category’s five brands and associates in alphabetical order (e.g., Condiments—brands: French’s, Heinz, Hellman’s, etc.; associates: Dijon, hotdog, ketchup, mayonnaise, mustard, etc.). Participants were then asked to numerically rank order each of the brand names and associates in the order that best represented each category. W obtained a mean average ranking for each brand and associate. From these averages, we determined the final rank of each brand and associate within each category. Thus we had five rank-ordered brands and nine rank-ordered associates for each category. For example, the final ranking for household products produced the ordered list: Mr. Clean, Windex, Fantastic, Comet, and Lysol. For simplicity, we refer to the highest-ranked brand as the strong, and the lowest-ranked brand as the weak brand.

EXPERIMENT 1: EFFECTS OF CONCEPTUAL PRIMING ON STIMULUS-BASED CHOICE

Our first study tests the prediction that conceptual priming will have an effect on stimulus-based choice. We reasoned that if conceptual priming (at exposure) requires relatively effortless processing, and the choice task is easy and requires minimal cognitive effort (as is the case for stimulus-based choices; Rottenstreich et al. 2007), then conceptual priming would influence stimulus-based choice. We predicted that if conceptual priming were to occur in a stimulus-based choice setting, the effect would be greater for strong brands in a category. We note one qualification: Preferences for the strongest brands in a category may be insensitive to a subtle enhancement effect such that we expect strong (e.g., “next-to-highest ranked”), but not necessarily the strongest, brands to show the effect most clearly. Given a benefit (increased choice) to strong brands, there would be a detriment (decreased choice) to weak brands.

Method

Participants. Thirty students from a large northwestern university participated in exchange for course credit.

Stimuli. Stimulus materials comprised the 28 category names, list of brands, and list of associates obtained in our pilot studies. Thus our stimuli consisted of 28 category names, five brand names per category, and nine associates per category.

Procedure. We employed a repeated measures experimental design which varied the exposure status of the list of primes: it was either shown earlier (exposed list) or not shown earlier (non-exposed list). Random assignment placed 14 of the lists in the “exposed” condition, and 14 in the “non-exposed” condition (re-randomized for each participant). We did not show the critical brands (i.e., strong, next-to-highest ranked, or weak brands) during the exposure phase, but examined choice likelihood of those brands based on whether they were associated with exposed or non-exposed lists.

During the exposure phase of the experiment, a computer monitor displayed the 14 exposure lists, in random order. For each list, the monitor displayed the items in two rows, consisting of a mix of brands and associates (except for the three critical brands that served as lures), in random order (and re-randomized for each participant). The onset of each exposed list was self-paced. After a participant finished reading all 14 exposed lists, there was a brief delay, and then the experimenter explained the requirements of the choice task which had participants make a choice of brand lure — strong, next-to-highest ranked, weak — for each of the 28 categories. The dependent measure was binary choice (1 if chosen, 0 if not chosen).

Results and Discussion

There was a significant main effect of test item, $F(2, 58) = 22.09, p < .0001, \eta^2 = .43$. Simple main effects analyses revealed that participants indicated greater choice for strong ($M = .48$) than for weak ($M = .24$), $F(1, 29) = 62.87, p < .0001, \eta^2 = .68$, or next-
to-highest ranked brand lures ($M = .30$), $F(1, 29) = 18.45$, $p < .0001$, $\eta^2 = .39$. Supporting hypothesis 1, there was a difference in choice for the next-to-highest ranked brand based on list exposure ($Ms = .33$ and $.26$ for exposure and non-exposure, respectively), $F(1, 29) = 3.49$, $p = .07$, $\eta^2 = .06$, although this shift failed to reach conventional levels of statistical significance.

Supporting hypothesis 2, choice based on list exposure for the weak brand lure was significantly lower when it was conceptually primed ($M = .20$) versus when it was not primed ($M = .28$). $F(1, 29) = 4.25$, $p < .05$, $\eta^2 = .08$. Participants were less likely to choose a weak brand lure associated with an exposed list as opposed to a weak brand lure associated with a non-exposed list. Such a finding suggests that, weak brands are actually less closely linked to the prominent brand node in the network inhibition account however, predicts that brands that are more prominent of one brand can impair accessibility of competing brands (versus when they are not exposed to competing brands). Returning to our prediction that participants will consider stronger lures (although the effects of exposure reveal themselves in choice only when the next-to-highest ranked lure is examined), we speculate that this consideration of stronger lures may take away from participants’ likelihood to consider weak lures in a choice task.

One possibility is that conceptual priming increased accessibility of only the strong brands, which caused decreased accessibility of the weak brands (relative to the no priming control condition). Decreased accessibility or “inhibition” is the explanation used to account for the finding that increasing prominence of one brand can impair accessibility of competing brands in the same category (Alba and Chattopadhyay 1986). An inhibition account however, predicts that brands that are more (less) closely linked to the prominent brand node in the network should be associated with the most (least) detriment in terms of competition (Anderson, Bjork and Bjork 1994). We observed the opposite pattern in stimulus-based choice: There was a detriment to the weakest brand, not the next-to-highest ranked brand, which calls into question the inhibition account. A second possibility is that conceptual priming increased accessibility of both the strong and the weak brands in the category relative to no priming, but accessibility increased more for the strong relative to the weak brands. A third possibility is that conceptual priming increased accessibility of the category, which caused increased accessibility of the strong brands because they are the most strongly associated with the category; accessibility of weak brands would be affected slightly if at all, because they are weakly associated to the category. We investigate these possibilities in the next experiment which examines accessibility.

**EXPERIMENT 2: AN ACCESSIBILITY EXPLANATION OF THE EFFECTS OF CONCEPTUAL PRIMING ON STIMULUS-BASED CHOICE**

Conceptual primes should cause greater processing fluency of the most prototypical brand in the stimulus-based choice set. While processing fluency reflects the relative ease or difficulty with which information is processed, accessibility refers to the ease or difficulty with which information is brought to mind (Schwarz and Clore 2007). We expect that conceptual priming, first and foremost, increases accessibility of the actual category, based on the notion that a category becomes automatically accessible by exposure to a number of “good” exemplars belonging to the category (Cohen and Basu 1987).

**H3:** Cues related to a product category will prime a general theme related to the product category, causing increased accessibility of the category name (e.g., “fast food”) relative to when no cues are shown.

This should simultaneously increase accessibility of the strong brands because they are the most associated to the category. In fact, conceptual priming should increase accessibility of both the strong and the weak brands in the category relative to no priming. However, the accessibility may differ for each: the strong brands within a category become more accessible than the weak brands (cf. Nedungadi 1990). Greater accessibility of strong (versus weak) brands as a result of conceptual priming may lower choice likelihood of the weak brands (observed in experiment 1).

**H4:** Conceptual primes related to a product will prime a general theme related to the product, causing increased accessibility of the most prototypical brand (e.g., McDonald’s) in the category relative to when no cues are shown.

**H5a:** Conceptual primes related to a product will prime a general theme related to the product, causing increased accessibility of the least prototypical brand (e.g., Wimpy’s) in the category relative to when no cues are shown.

**H5b:** Conceptual primes related to a product will cause increased accessibility of the most prototypical brand (e.g., McDonald’s) to a greater extent than it will cause increased accessibility of the least prototypical brand (e.g., Wimpy’s).

In summary, we predict that when consumers are exposed to conceptual primes related to a product category, the non-presented category name (henceforth: “category lure”) would be accessible (hypothesis 3). We further predict that when people are exposed to conceptual primes related to a product category, the strong brand lure would be accessible (hypothesis 4). Finally, we predicted that with exposure to brands and associates of a product category, weak brand lures should be accessible as well, but not to the same extent as the strong brand lures (hypothesis 5).

We examine these hypotheses under conditions of exposure (compared to non-exposure) to conceptual primes by testing whether each type of lure is mistakenly reported as having been seen during exposure. A “false alarm” of this nature would serve as an indication of accessibility: if people believe the lures were shown earlier, they are presumably accessible in memory. Given that we are comparing lures for primed categories with lures for non-primed categories, we are not concerned about potential ceiling effects in this experiment.

**Method**

The design was a 3 x 2 x 2 mixed factorial design. Participants were assigned to one of three groups which varied by the type of Lure presented at test (category lure, strong brand lure, or weak brand lure). The within-subjects factors were Exposure status of list [shown earlier (exposed list) or not shown earlier (non-exposed list)] and type of Test item [lure or associate].

**Participants.** Twenty students from a large northwestern university were assigned to the category lure group, 20 were assigned to the strong brand lure group, and 20 to the weak brand lure group. They participated in the study in exchange for course credit.

**Stimuli.** Stimulus materials comprised the 28 category names, list of brands, and list of associates obtained in our pilot studies and used in experiment 1.

**Procedure.** For each of the three Lure groups, we employed a 2 x 2 within-subjects design with four conditions: exposed list/
lures, exposed list/associates, non-exposed list/lures, and non-exposed list/associates presented at test. Random assignment placed 14 of the lists in the “exposed” level, and 14 in the “non-exposed” level (re-randomized for each participant). The exposure phase for each lure group in this experiment was similar in all ways to the exposure phase of experiment 1, with one exception for each group noted as follows.

For the category lure group, we did not show category names during the exposure phase, but examined accessibility for category lures of exposed and non-exposed lists. The test items consisted of the category lures of seven “exposed list” categories, an exposed item (which was either an associate or brand, randomly determined) of each of the remaining seven “exposed list” categories, the category lures of seven “non-exposed list” categories, and an exposed item (which was either an associate or brand, randomly determined) from each of the other seven “non-exposed list” categories. Based on the four conditions, there were 28 test items. During the test phase, a monitor displayed the 28 items individually, in random order (re-randomized for each participant). The participants were asked to indicate whether they had seen each target during the exposure phase by pressing “yes” or “no” on a button box.

For the strong brand lure group, we did not show the strongest brand names during the exposure phase, but examined accessibility for strong brand lures of exposed and non-exposed lists. The test items consisted of the strong brand lures of seven “exposed list” categories, an exposed item (which was either an associate or brand, randomly determined) of each of the remaining seven “exposed list” categories, the strong brand lures of seven “non-exposed list” categories, and an exposed item (which was either an associate or brand, randomly determined) from each of the other seven “non-exposed list” categories. Based on the four conditions, there were 28 test items. During the test phase, a monitor displayed the 28 items individually, in random order (re-randomized for each participant). The participants indicated whether they had seen each target during the exposure phase by pressing “yes” or “no” on a button box.

For the weak brand lure group, we did not show the weakest brand names during the exposure phase, but examined accessibility for weak brand lures of exposed and non-exposed lists. The test items consisted of the weak brand lures of seven “exposed list” categories, an exposed item (which was either an associate or brand, randomly determined) of each of the remaining seven “exposed list” categories, the weak brand lures of seven “non-exposed list” categories, and an exposed item (which was either an associate or brand, randomly determined) from each of the other seven “non-exposed list” categories. Based on the four conditions, there were 28 test items. During the test phase, a monitor displayed the 28 items individually, in random order (re-randomized for each participant). The participants indicated whether they had seen each target during the exposure phase by pressing “yes” or “no” on a button box.

Results and Discussion

Within-subjects analyses. We employed a 2 (Exposure status of list) x 2 (Test item type) repeated measures ANOVA on the probabilities of claiming “old” (i.e., proportion of “yes” responses) separately for each lure group. Results indicated that participants had higher claims of “old” for associates (M = .38) than for category lures (M = .26), F (1, 19) = 4.31, p < .05, η² = .14. They also had higher claims of “old” for items of the lists shown during exposure (M = .38) compared to those not shown during exposure (M = .06), F (1, 19) = 249.78, p < .0001, η² = .93. The interaction was significant, F (1, 19) = 6.36, p < .02, η² = .25. Consistent with hypothesis 3, participants were more likely to claim “old” for category lures of exposed lists (M = .46) versus category lures of non-exposed lists (M = .06), F (1, 19) = 60.05, p < .0001, η² = .76, which is consistent with an explanation of category accessibility due to conceptual priming.

Probabilities of claiming “old” for the strong lure group are examined next. Results showed that participants were more likely to claim “old” for associates (M = .40) than for strong brand lures (M = .22), F (1, 19) = 25.84, p < .0001, η² = .58. They were also more likely to claim “old” for items associated with lists shown during exposure (M = .48) than those not shown during exposure (M = .14), F (1, 19) = 101.47, p < .0001, η² = .84. Consistent with hypothesis 4, participants were more likely to claim “old” for strong brand lures of exposed lists (M = .35) as opposed to strong brand lures of non-exposed lists (M = .08), F (1, 19) = 24.55, p < .0001, η² = .56. Our interpretation of this finding is that despite the pre-experimental accessibility of these lures (which we indexed as .08; Nedungadi, 1990, “no prime” group) participants falsely reported having encountered them in the experiment, beyond what they would have reported without exposure to their respective lists. This finding demonstrates cognitive accessibility of the strongest brand due to conceptual priming.

The probabilities of claiming “old” for the weak lure group are examined next. Participants had higher claims of “old” for associates (M = .44) than for weak brand lures (M = .12), F (1, 19) = 57.86, p < .0001, η² = .75, and for lists shown earlier (M = .45) versus those not shown earlier (M = .10), F (1, 19) = 107.07, p < .0001, η² = .85. The interaction was significant, F (1, 19) = 35.27, p < .0001, η² = .65. Participants were more likely to claim “old” for the weak brand lures of exposed lists (M = .19) versus those of non-exposed lists (M = .04), F (1, 19) = 17.97, p < .0001, η² = .49. Consistent with hypothesis 5a, this finding suggests cognitive accessibility of the weakest brand due to conceptual priming.

Between-group analyses. Next we examine, across the three lure groups, the difference in probabilities of claiming “old” for lures of exposed versus non-exposed lists. The difference in probabilities represents the magnitude of accessibility for each of the lure groups. An ANOVA revealed that the main effect of lure group was significant, F (2, 57) = 4.61, p < .02, η² = .14. A directional test of the difference in accessibility of category versus strong brand lure by an examination of the illusion (difference scores) for the category lure group (M = .40) versus the strong lure group (M = .27) revealed a reliable difference, t (38) = 2.32, p < .01. More notably, the same test comparing the strong lure group (M = .27) versus the weak lure group (M = .15) was also reliable, t (38) = 1.86, p < .04. Consistent with hypothesis 5b, the effect of conceptual priming was more robust for the strong than the weak brand lures. Thus, although the weak brand lure was accessible, it was not as accessible as the strongest brand, which explains the observed effects on choice (experiment 1).

From a managerial standpoint, conceptual priming by exposure to brands (Burger King) increases false recognition for competing brands in the same category, which is important in stimulus-based choice contexts. We call this “competing brand
recognition”. Recognition for competing brands in this case was illusory, as the “competing brands” had not been presented in the original list and so the “yes, I’ve seen it before” response was an error. Note, however, the illusion was not present when participants were not exposed to related brands (Burger King), making this experimental finding different from other “illusory” memory effects reported in the literature, such as the sponsorship misidentification effect (Johar and Pham 1999). In addition, “competing brand recognition” is more likely to occur for stronger brands. The “competing brand recognition” also occurs in weak brands (exposure to Burger King benefits Wimpy’s, in terms of accessibility to Wimpy’s), but the effect is much smaller than the effect for strong brands (exposure to Burger King benefits McDonald’s more than Wimpy’s).

The purpose of experiment 2 was to examine the processes underlying the increase in choice likelihood for the strong brands and the accompanying decrease in choice likelihood for the weak brands observed in experiment 1. We ruled out the possibility that conceptual priming increased accessibility of only the strong brands, which in turn caused decreased accessibility of the weak brands relative to the no priming condition. Our data instead support the idea that conceptual priming increased accessibility of the category, which then increased accessibility of the strong brands because they are also strongly associated with the category. Weak brands within the category also received increases in accessibility, although the increases were not as large as those for the strong brands. Thus weak brands were at a competitive disadvantage when in the same choice set as strong brands whose accessibility was enhanced.

**GENERAL DISCUSSION**

The primary objective of this research was to investigate whether conceptual priming can have an effect on stimulus-based choice. We reasoned that if priming, in the form of exposure to cues that are conceptually related to the brand, requires relatively effortless processing, and the choice task is easy and requires minimal cognitive effort (as is the case for stimulus-based choices), then conceptual priming should have an influence on stimulus-based choice. In experiment 1, we observed a beneficial effect of conceptual priming in a stimulus-based choice setting for strong brands of the primed category, with an accompanying detriment to weak brands. In experiment 2, we found support for the idea that conceptual priming increases accessibility of the actual category, and increases accessibility of the strong brands in the category. From a managerial standpoint, it is important to note that conceptual priming by exposure to brands (Burger King) increases false recognition for competing brands in the same category, which is important in stimulus-based choice contexts. We call this “competing brand recognition”. This increased accessibility for the strong brands may have taken away from the likelihood of choosing the weak brands, because even the weak brands were accessible (although not as accessible as the strong brands). In other words, the effects of conceptual priming on stimulus-based choice are complex: The relationship between accessibility strength and probability of stimulus-based choice is in the same direction for strong brands (increased accessibility from conceptual priming is associated with an increase in stimulus-based choice probability) and in opposite directions for weak brands (increased accessibility from conceptual priming is associated with a decrease in stimulus-based choice probability).

Our own evidence is consistent with the notion of encoding specificity (Tulving and Thompson 1973) as an explanation for the effects of priming on choice (Lee 2002). However, we introduce the idea that specificity not only involves elaboration (Lee 2002), but also effort (cf. Kolers 1976). We reasoned that the level of effort involved can predict an effect of conceptual priming on stimulus-based choice; however, it is not predicted by the assumptions of “separate systems” in implicit memory (Lee 2002). Thus, we have outlined predictions about choices that can be outcomes of both conceptual and perceptual priming, through a single set of underlying principles: matching effort required during priming and choice decision (see Mantonakis, Whittlesea and Yoon 2008). Our finding of conceptual priming effects on stimulus-based choice is at least challenging for proponents of separate-systems accounts of memory as it requires them to provide functional explanations at a deeper level than the notion that there are two kinds of knowledge, and therefore two memory systems specialized to deal with them.

**REFERENCES**


The Influence of Public Commitment on Resistance to Attitude Change: An Investigation into the Psychological Processes.
Mahesh Gopinath, College of Business and Public Administration, Old Dominion University
Prashanth U. Nyer, Argyros School of Business and Economics, Chapman University

EXTENDED ABSTRACT
This paper investigates the effect of public commitment on resistance to persuasion, and examines the roles played by attitude certainty, susceptibility to normative influence (SNI) and preference for consistency (PFC) in influencing resistance to attitude change when subjects make a public commitment to their attitude.

Resistance to persuasion has been the focus of some research (e.g., Eagly & Chaiken, 1995), specifically on the psychological processes that mediate this resistance. In this paper we examine the role played by public commitment in influencing the attitude change process.

When an individual makes a public commitment to an issue (i.e. makes his/her opinion on an issue known to others), the individual’s opinion on the issue becomes more resistant to change. A review of the literature leads us to believe that the more publicly one states one attitude, the more one is committed to and locked to that position (Hollenbeck, Williams & Klein, 1989), leading to our first hypothesis.

H1: Individuals who make a public commitment to a position become more resistant to counter attitudinal persuasion.

An explanation for this could be that public commitment makes these individuals more confident in their original attitude position, which in turn leads to an attitude that is more resistant to counter-attitudinal persuasion.

H2a: Individuals who make a public commitment to an evaluation will experience an increase in certainty in their evaluation.

H2b: The greater the degree of certainty that individuals have in their evaluations, the more resistant to counter attitudinal persuasion they become.

Two personality variables we explore to explain the effects of public commitment are Preference for Consistency (PFC) and Susceptibility to Normative Influence (SNI). We argue that individuals who are high on PFC are especially resistant to counter attitudinal information.

H3: Compared to those low in PFC, individuals high in PFC will be more resistant to counter-attitudinal persuasion.

When high SNI subjects make their positions public to relevant others, and are then presented with counter-attitudinal information from a relatively distant reference group, the subjects will be less likely to be influenced by the need to align their position with that of the close reference group. Under this situation the subjects may be less motivated by the urge to be perceived as consistent.

H4a: When exposed to counter attitudinal information attributed to a relatively distant reference group, high SNI subjects will be more resistant to persuasion under conditions of public commitment.

H4b: When exposed to counter attitudinal information attributed to a relatively close reference group, high SNI subjects will be less resistant to persuasion regardless of whether they make a public commitment or not.

H5: Individuals who feel more affinity to a reference group will be less resistant to change when exposed to counter attitudinal information attributed to that group.

We argue that publicly committing to an attitude increases the personal significance of that attitude and thereby increases the attitude certainty and attitude strength, leading to an increase in resistance to persuasion.

H6a: Attitude certainty will mediate the effect of public commitment on resistance to persuasion.

H6b: Attitude importance will mediate the effect of public commitment on resistance to persuasion.

Data were collected for the two experiments from 227 and 98 undergraduate student subjects respectively. The subjects were participating in a computer-based exercise administered in computer laboratories.

We find that individuals who publicly state their position on an issue experience increased confidence in their initial attitudes, and evaluate the issue as being more important. This increase in attitude certainty and issue importance was found to increase resistance to persuasion. The two dispositional variables we investigated were found to have significant effects on the effect of public commitment on resistance to persuasion. We found evidence for a two-way interaction of public commitment and SNI in their effect on resistance to persuasion when exposed to counter-attitudinal information from a relatively distant reference group. While public commitment causes individuals to become more resistant to persuasion, this effect is even more pronounced for those high in SNI, with these individuals becoming significantly more resistant to persuasion (compared to those low in SNI) under conditions of public commitment; while those high in SNI become significantly less resistant to persuasion (compared to those low in SNI) when not under public commitment.
When exposed to counter attitudinal information attributed to a relatively close reference group, high SNI subjects were found to be less resistant to persuasion compared to low SNI subjects. When the counter attitudinal information is attributed to a source considered to be relatively distant, the urge to engage in self-presentation and the need to align with other’s opinions gain dominance depending on level of SNI of the subject. When source is distant, high SNI subjects are more influenced by the need to align with the opinion of others and hence have less resistance to counter attitudinal persuasion. Low SNI subjects on the other hand are more influenced by the need for protective self-presentation and the need to align with other’s opinions gaining over the need to engage in self-presentation. This is the first paper that investigates the effect of SNI on resistance to persuasion when a commitment has been made in public. Further, we study the psychological process that mediates resistance to attitude change as a result of public commitment by studying attitude confidence and attitude importance.

REFERENCES


The present research seeks to demonstrate that future experience, elicited by anticipating one’s future affective experience with a product, can influence current product attitudes. Our claim is that the mere act of forecasting one’s future affective experience can alter current evaluations of a product, often irrespective of the future attitude itself. We provide evidence that forecasting can influence current attitudes through two separate routes. First, focusing on the future increases the salience of distal information. As a result, this information is disproportionately weighted when participants consider their current attitudes. Second, even if one’s anticipated future attitude is non-diagnostic (no different than the current attitude), we find evidence that the process or act of contemplating one’s future experience with a product can impact current judgments through a meta-cognitive route.

EXTENDED ABSTRACT
Empirical research has validated the lay intuition that prior experiences impact current attitudes, which in turn inform future behavior (Fishbein and Ajzen 1975). Within consumer contexts, the role of direct experience in generating strongly held product attitudes is well-documented (Smith and Swinyard 1982). The present research seeks to demonstrate that future experience, elicited by anticipating prospective product-related emotions, can influence current product attitudes. Our contention is that the mere act of forecasting one’s future experience can alter current evaluations of a product. In itself, this claim is not novel; it has previously been suggested that consumers base their intentions or choices in part on premonitions of how they will feel in the future (Mellers 2001; Soderlund 2003). However, we provide evidence that forecasting can influence current attitudes through two separate routes. First, focusing on the future increases the salience of distal information. As a result, this information is disproportionately weighted when participants consider their current attitudes. If distal information is primarily negative, current attitudes of forecasters are shown to be more negative than current attitudes of non-forecasters. The converse is true if distal information is positive. Second, even if one’s anticipated future attitude is non-diagnostic (no different than the current attitude), we suggest that the process or act of contemplating one’s future experience with a product can impact current judgments through a meta-cognitive route. We show that the feelings of ease or difficulty associated with forecasting one’s future experience are themselves informative and can impact current product evaluations.

Although basic models linking attitudes to behavior do not explicitly specify a role for future experience, “existing definitions of attitudes generally do not preclude the construct from referring to an object not yet experienced” (Soderlund, 2003). To the extent that future attitudes differ from current attitudes and as long as both types of evaluation affect behavioral intentions, it follows logically that focusing on the future might alter behavior. Indeed, extant literature generally supports the view that forecasts of future emotional states exert substantial influence on intentions (Bagozzi and Edwards 2000; Strathman et al. 1994) and choice (Crawford et al. 2002; but see Hsee 1999; Zeelenberg 1999). Anticipated panic and fear have been shown to affect decisions made by individuals prior to facing a frightening situation (Cox and Swinson 1994; Craske, Rapee, and Barlow 1988). In gambling tasks, Mellers and colleagues (1999; 1997) found that people’s anticipated emotions influenced wager decisions more than economic utility. Shiv and Huber (2000) demonstrated that simply asking consumers to consider their anticipated satisfaction with each of the options in a choice set impacted choices that were subsequently made. According to the authors, preference shifts arose because anticipating satisfaction produced a mental-imaging processing strategy which resulted in options with vivid attributes being disproportionately favored.

In our research, we extend previous work by demonstrating the existence of two routes by which focusing on future affective experiences can influence current attitudes. In experiment 1, we show how making negative distal information more salient can influence product evaluations. We ran a 2-cell experiment where all participants first reviewed a brief description of a new miniature digital camera, MicroPix, that they were considering purchasing. All participants were informed that a competitor’s camera would be released in nine months with superior features and a lower price than MicroPix. Participants in the “forecast” condition were asked to anticipate their satisfaction with MicroPix after two years. Participants in the “no forecast” condition did not anticipate their satisfaction in the future. Subsequently, all participants provided their current evaluation of the MicroPix camera. Due to stronger feelings of anticipated regret, the average current evaluation of MicroPix was significantly lower for participants who made an affective forecast (M=4.5) compared to participants who did not make a forecast (M=5.0), t(98)=2.15, p<0.04.

In experiment 2, we ran a 5-cell experiment where all participants first reviewed a detailed description of a laptop computer. Participants in four of the conditions were then instructed to look one year in the future and anticipate either: (1) how happy they would be because of the laptop, (2) how happy they would be with the laptop, (3) how much they would like the laptop, or (4) how satisfied they would be with the laptop. Unlike experiment 1, no distal information was provided (either positive or negative) about the laptop. Participants in the control condition did not make a forecast. All participants then provided their current evaluation of the laptop. Across the four groups who made a forecast, mean forecasted values did not differ significantly, F(3,70) = 1.03, p = 0.38. However, the current evaluation of the laptop was significantly lower for participants who made a forecast (M=4.2) compared to participants who did not make a forecast (M=5.0), t(87) = 2.17, p < 0.04. Based on thought listing data, participants found it difficult to forecast their feelings about the laptop one year in the future. We suspect that the difficulty associated with making these forecasts influenced forecasters’ current evaluations of the laptop. In subsequent experiments, we attempt to provide converging evidence for the two proposed routes whereby forecasting impacts current attitudes. In order to specifically isolate the meta-cognitive mechanism, we explore how varying forecasting difficulty affects current attitudes.

In sum, our research provides a clear demonstration of the malleability of current attitudes. Specifically, we show that focusing on future affective experiences can affect current product evaluations directly, by increasing the salience of distal information, and indirectly, by highlighting the ease or difficulty of the forecast itself.
REFERENCES


Identifying and Managing Valuable Prospects
Steffen Zorn, UWA Business School, University of Western Australia
Jamie Murphy, UWA Business School, University of Western Australia

ABSTRACT
In saturated markets up to 30% of customers quit their relationship with a firm each year. Therefore, companies must acquire valuable customers constantly and avoid customers that constantly switch their relationship with a firm in response to competitive offerings. Most models to assess the customer lifetime value (CLV), the discounted difference between a customer’s revenue and sales costs, have limitations such as ignoring customer acquisition. This paper investigates the importance of the acquisition phase in the CLV and sets up propositions related to CLV.

EXTENDED ABSTRACT
To increase profits, firms reallocate their resources to valuable customers and avoid churners, customers that switch from competitor to competitor in response to attractive offers. Therefore, companies should quantify each existing or potential customer’s value in order to help maximize that customer’s lifetime value (CLV), the discounted difference between a customer’s revenue and sales costs (Cao and Grucu 2005; Lewis 2006).

Rather than a homogenous group, firms should consider customers as a heterogeneous asset in order to investigate how underlying factors influence the CLV and how marketing activities influence these underlying factors (Bolton et al. 2004). For example, which consumer behaviors suggest a high CLV and how can firms use this knowledge in the acquisition phase?

Research provides multiple models to calculate CLV, yet most models often ignore the importance of the acquisition stage and customer behavior (Bolton et al. 2004; Thomas 2001). For example, customers differ in motivations to consume. Some consume media randomly to kill time; others consume media selectively in a goal-directed manner (Hoffman and Novak 1996; Rubin 1984). Different consumption motivations, hedonic and utilitarian (Hirschman and Holbrook 1982) could influence CLV.

Yet to the authors’ knowledge, few studies have investigated how consumption modes relate to CLV. Differentiating customers according to their consumption preferences could help firms increase the accuracy of CLV predictions, allocate resources to acquire valuable prospects and retain valuable customers (Cao and Grucu 2005; Lewis 2006). For academia, the relationships among consumption modes and factors influencing CLV should reveal another consumer behavior aspect, the importance of consumption modes in customer relationship management.

Conceptual framework of factors influencing CLV

Purchase Behavior and Relationship Perceptions
Marketing activities in the customer acquisition and retention phases can influence both relationship perceptions - customer beliefs about firm attributes and performance - and purchase behaviors, which subsequently relate to CLV (Bolton et al. 2004). Purchase behavior reflects the length of the firm relationship, buying frequency and average purchase value. Purchase behavior differs in underlying motivations, utilitarian and hedonic (Childers et al. 2001; Hirschman and Holbrook 1982). Whereas a utilitarian consumer is goal-oriented, consumers focusing on hedonic dimensions seek entertainment and pleasure. Similarly, users consume media such as the worldwide web (Hoffman and Novak 1996) and TV (Rubin 1984) in utilitarian and hedonic modes.

Satisfaction, price perception and commitment help determine relationship perceptions (Bolton et al. 2004). Although marketers generally assume that satisfaction increases customer loyalty and relationship length, satisfied customers are not necessarily loyal (Oliver 1999). The relationship between satisfaction and loyalty is complex and non-linear as other factors, including price perception and commitment, influence relationship length, (Bolton et al. 2004). The importance of satisfaction seems to decrease with relationship length, at least for hedonic products (Chitturi et al. 2007). Whereas for utilitarian customers focused on the transaction, satisfaction is the premise for future intentions, trust and commitment are important for customers in a long-term relationship (Garbarino and Johnson 1999). Thus,

P1: Whereas customers in a hedonic mode are interested predominantly in trust, customers in a utilitarian mode are interested predominantly in satisfaction.

Price perceptions
Although satisfaction seems to play a major role in customer-firm relationships, price perceptions also help form relationship perceptions. Competitors’ prices for the same or similar products form a perceived ‘price fairness’ (Bolton et al. 2004). Furthermore, the initial price relates positively to customer lifetime (Dover and Murthi 2006), consistent with findings that promotionally acquired customers are low value (Lewis 2006; Scott 1976). Once acquired, firms offering affective commitment and loyalty programs with economic advantages can increase customer retention and the share of wallet a customer customer spends with a company (Verhoef 2003). Bolton et al. (2004) however question the positive effects of loyalty programs providing economic benefits, at least in the long run. They argue that programs with economic (utilitarian) benefits influence short term service use and social (hedonic) programs such as customer events influence long term service use. The role of price perceptions and hedonic versus utilitarian consumption modes may relate to customer acquisition and subsequent CLV. Thus,

P2: Firms can increase the CLV of hedonic (utilitarian) customers in the retention phase with social (economic) programs.

Commitment
Literature distinguishes affective and calculative commitment (Bolton et al. 2004). Whereas affective commitment stems from feelings, calculative commitment stems from rationale motives, such as costs. However there is ambiguity about the effects of commitment due to two commitment dimensions; the effects differ across markets. In relationships with companies offering hedonic experiences such as entertainment, affective commitment positively influences relationship length (Bolton et al. 2004). Yet the increasing experience of utilitarian focused customers (Bolton et al. 2004) may suggest a calculative commitment. This formed calculative commitment, however, depends on switching costs. Thus,
P3: As calculative commitment relates to price perception, consumers in a utilitarian consumption mode form a lower firm commitment than hedonic oriented consumers do and thus utilitarian oriented consumers have a lower CLV than hedonic oriented consumers.

CONCLUSION
The commitment of a consumer with a company and the relationship length could depend on the consumption mode – utilitarian or hedonic. Whereas price fairness and economic incentives interest utilitarian oriented consumers, affective incentives should interest the hedonic oriented consumer. Therefore most churners, consumers willing to change from one competitor to another, should tend towards utilitarian consumption. For the acquisition of new customers, it seems appropriate to focus on customers interested in a hedonic consumption. However, firms could acquire prospects interested in a utilitarian consumption, but with a high CLV, by offering loyalty programs in the retention phase.

Preferences for product types, e.g. movie genres in the movie industry, could show if a consumer has a hedonic or utilitarian orientation. Further research will test the propositions set up in this paper using attitudinal and behavioral data from an online DVD company, similar to Netflix (www.netflix.com) in the USA. A classification based on consumers’ perception of a film being hedonic or utilitarian (Milkman et al. 2007) will serve as a proxy for consumption modes. Membership length and associated costs, such as customer audit costs and acquisition costs, will serve as a proxy for CLV.

REFERENCES
Using Corporate Social Responsibility to Strengthen Employee and Customer Relationships
Daniel Korschun, LeBow College of Business, Drexel University
C.B. Bhattacharya, Boston University School of Management
Sankar Sen, Zicklin School of Business

ABSTRACT
Corporate social responsibility (CSR) is increasingly gaining attention as a means by which companies can improve customer-company relationships, yet prior research has tended to ignore a central contributor to these relationships: the “internal customer” (i.e., the employee). A two-part study seeks to extend the CSR literature by investigating the effectiveness of CSR as a marketing lever for both employees and consumers. We draw on the CSR, social identity theory and internal marketing literatures to show that, contingent upon a number of factors, CSR can strengthen relationships (1) between employees and the company, and (2) between employees and customers. Subsequently, CSR is demonstrated to be an additional means by which companies can practice the marketing concept among two of its primary stakeholder audiences, employees and consumers.

EXTENDED ABSTRACT
Corporate social responsibility (CSR), or “a commitment to improve community well-being through discretionary business practices and contributions of corporate resources” (Kotler and Lee 2004, p.3), is increasingly gaining attention as a means by which companies can improve customer-company relationships. A large and growing body of evidence indicates that, under the right circumstances, customers respond quite favorably (from the standpoint of the company sponsoring such initiatives) to CSR activity.

In contrast, there has been very little research on employee responses to CSR (Bartel 2001; Berger, Cunningham, and Drumwright 2006; Bhattacharya, Sen, and Korschun 2007) and no research at all on how CSR impacts the link between employees and customers. This is somewhat surprising, especially given that employees are an important audience of CSR who often play a central role in delivering and communicating value to customers.

The present research examines employee responses to CSR from two equally important perspectives: (1) as “internal” consumers of CSR, and (2) as initiators of strong relationships with customers through their role as a frontline employee. The two part study consists of first, a series of focus groups and in-depth interviews, and second, a quantitative field survey of frontline service employees.

The research extends a growing literature which examines how CSR fosters close customer-company relationships in the form of identification with the company. The main theoretical contribution of the research is that it describes the psychological mechanisms behind responses to CSR for an important, yet rarely studied audience of CSR, employees. Findings show that, given employee-specific contingency factors, CSR fosters employee identification both with the company and its customers, ultimately leading to enhanced job satisfaction, reduced intentions to quit, and heightened customer orientation on the part of employees. The fundamental implication of the research is that CSR has the potential both to reduce the costs of attracting and retaining a talented workforce and motivate employees to enhance customer satisfaction.

Study 1
Background
The first study sought to understand employee responses to CSR initiatives, especially with respect to their relationship with their employer. The study consisted of focus groups and in-depth interviews with employees of various roles and responsibilities (e.g., manager, non-manager, sales, manufacturing, IT). Focus groups were conducted with employees at multiple locations in the United States and Europe at a large consumer goods company; in-depth interviews were conducted with employees across multiple industries in the northeastern United States.

Findings
We find that contingent upon how CSR initiatives are implemented, CSR can represent a highly effective internal marketing lever, alongside more traditional approaches to human resource and sales force management (i.e., reward system, supervisor support, etc.). Thus, our research framework adopts a contingent approach in understanding how employees benefit from a company’s engagement in CSR initiatives and whether and how these employee benefits translate to favorable company outcomes. The framework illustrates how employees derive numerous benefits from a company’s CSR initiatives, creating opportunities for self-enhancement, improving work-life integration, building a bridge to the company, and providing a reputational shield that deflects criticism from hostile external stakeholders. These benefits are derived and lead to employee-company identification depending upon employee proximity to CSR initiatives (e.g., participation in volunteer programs), company characteristics (e.g., reputation of the company), and employee characteristics (e.g., location of employment relative to corporate headquarters). The above mentioned benefits of CSR and subsequent identification with the company lead to important company-favoring outcomes that may be either internal or external in nature (Bhattacharya and Sen 2004). Outcomes that are internal to the employee include pride in the company, job satisfaction, and commitment to remain employed at the company; external, or behavioral outcomes, include productivity, reduced absenteeism, and helping behaviors towards work colleagues.

Study 2
Background
While the initial study found evidence that employee performance is enhanced when the employee is aware and an active participant in CSR, the second study sought to understand whether and how CSR drives a special case of workplace performance, the customer orientation of frontline employees. Customer orientation is conceptualized as the degree to which frontline employees “practice the marketing concept by trying to help their customers make purchase decisions that will satisfy customer needs” (Saxe and Weitz 1982, p. 344). Customer oriented employees seek ways to benefit customers over the long-term, rather than sacrificing the welfare of the customer in the interest of making an immediate sale.

The quantitative study was conducted using a panel of full-time employees in the retail and hospitality industries provided
by a leading marketing research provider; the survey instrument was delivered as a programmed questionnaire over the Internet. **Findings**

The central finding of this study is that the relationship between CSR activity and customer orientation is mediated by two distinct yet related processes whereby employees: (1) socially identify with customers, and (2) derive job-related benefits from the CSR initiatives. Furthermore, the study identifies three antecedents to this mediated process. First, when employees believe there to be congruence between their perceptions of the company’s CSR initiatives and customers perceptions of these programs they will identify with customers. This is because the aforementioned CSR-related congruence signals an overlap in values between themselves and customers. Second, we find that the perceived efficacy of CSR initiatives, that is, the extent to which initiatives are perceived to favorably impact the focal issue, provides job related benefits and leads to employee-customer identification. This is because effective CSR programs underscore the relational aspect of frontline job-roles (Grant 2007; Sluss and Ashforth 2007) and affirm an overlap of values which enables work-life balance. Finally, consistent with our findings in the first study, participation in CSR initiatives, whether through donations, volunteering, or other means, provides employees with self-esteem and work-life balance because through participation, employees are enabled to co-create initiatives so that they maximally fulfill their personal needs. **Implications**

The present research brings together the fields of internal marketing and CSR, demonstrating that CSR can be an important component of the “job-product” that companies can configure to attract, motivate, and retain talented employees. The research has at least two scholarly and managerially relevant implications. First, it shows that employees represent an “internal” audience for CSR initiatives with important implications for corporate performance. Subsequently, the research reveals that CSR can enhance customer relationships not only through consumers’ direct exposure to the activity itself, but also through indirect effects via employee behaviors. Second, the research empirically studies the process by which employees interpret CSR activity in order to define themselves socially, both with respect to the company and also consumers. Thus, it extends prior research by illuminating how employees navigate a complex social landscape at work and how this affects their desire to serve long-term consumer needs. Overall, the present research shows that CSR represents an additional marketing lever by which companies can practice the marketing concept among two of its primary stakeholder audiences, employees and consumers. **REFERENCES**


Maignan, Isabelle and O. C. Ferrell (2004), “Corporate Social
Responsibility and Marketing: An Integrative Framework,” 
Commitment-Trust Theory of Relationship Marketing,” 
Scores Versus Direct Effects in Service Quality 
Pracejus, John W. and G. Douglas Olsen (2004), “The Role of 
Brand/Cause Fit in the Effectiveness of Cause-Related 
Marketing Campaigns,” Journal of Business Research, 57 
(6), 635-40. 
Opting Customer Competence,” Harvard Business Review, 
78 (1), 79-88. 
Measure of the Customer Orientation of Salespeople,” 
Journal of Marketing Research (JMR), 19 (3), 343-51. 
Always Lead to Doing Better? Consumer Reactions to 
Corporate Social Responsibility,” Journal of Marketing 
Research, 38 (2), 225-43. 
Sen, Sankar, C. B. Bhattacharya, and Daniel Korschun (2006), 
“The Role of Corporate Social Responsibility in 
Strengthening Multiple Stakeholder Relationships: A Field 
Experiment,” Journal of the Academy of Marketing 
Intergroup Conflict,” The American Journal of Sociology, 
63 (4), 349-56. 
Simmons, Carolyn J. and Karen L. Becker-Olsen (2006), 
“Achieving Marketing Objectives through Social 
Identity and Identification: Defining Ourselves through 
Work Relationships,” Academy of Management Review, 32 
(1), 9-32. 
Turban, Daniel B. and Daniel W. Greening (1997), “Corporate 
Social Performance and Organizational Attractiveness to 
Prospective Employees,” Academy of Management 
Vogel, David (2005a), “Is There a Market for Virtue? The 
Business Case for Corporate Social Responsibility,” 
— (2005b), The Market for Virtue: The Potential and Limits of 
Corporate Social Responsibility: Brookings Institution Press.
When Does Being Good Imply Doing Good?  
Exploring Context Effects on Corporate Social Responsibility

SHUILI DU, Simmons College, School of Management, USA
SUCHARITA CHANDRAN, Boston University School of Management, USA

EXTENDED ABSTRACT

Prior research on CSR has primarily focused on the strategic advantages of a positive CSR reputation (Cone Citizenship Study 2004; Sen and Bhattacharya 2001). A company's involvement in CSR activities acts as a testimonial to its fundamental character and personality and differentiates it from competitors who may lag behind on such activities. Such a positive reflection of character may confer strategic advantages such as mitigating negative actions should the company face adversity in some unrelated domain (Klein and Dawar 2004). In this paper, drawing upon the inclusion/exclusion model of context effects (Schwarz and Bless 2007), we explore the double-edged nature of a positive CSR reputation: sometime it may actually hurt to have a positive CSR reputation.

In line with the inclusion/exclusion model, we contend that when CSR reputation is used to interpret company action, assimilation will occur and an uncertain, ambiguous action will be judged positively for a socially responsible company. However, when CSR reputation is used to form a judgment standard against which the company is compared, a contrast effect manifests and an ambiguous action will be evaluated negatively for a socially responsible company. Furthermore, we argue that the presence or absence of information on competitor actions influences which context effect, assimilation or contrast, will occur. When information on competitor actions is absent, assimilation effect is likely to occur and a socially responsible company will get the benefit of doubt for an ambiguous action in a crisis. However, the presence of information on competitor actions is likely to prompt the formation of judgment standard, leading to a contrast effect because a socially responsible company will be held to a higher standard and be punished for ambiguous actions.

Study 1 explored a product-harm crisis wherein a company is purported to have precipitated a health crisis due to consumers' consumption of its defective product. Apart from manipulating CSR reputation (positive, negative) we also manipulated the response of the company which is positive, indecisive/ambiguous, or negative. We did not provide any information on competitors' actions under similar circumstances. Results of this study indicated an assimilation effect. When the focal company enjoyed a positive CSR reputation, an ambiguous, somewhat less than definitive action on the part of the company in response to the product-harm crisis resulted in more positive attitudes, as if the action was positive. However, when the company's CSR reputation was negative, an ambiguous action led to more negative attitudes, as if the action was negative. This assimilation effect manifests across both measures of company evaluation (whether positive or negative) and company beliefs (based on a 3 item index of whether the company is trustworthy, has consumers' best interests in mind, is concerned about consumer welfare).

Our more interesting finding came in Study 2. Here too we manipulated both the focal company's CSR reputation and its action in an adverse situation as being positive, ambiguous, or negative. However, in this scenario which involves a price increase decision in the face of rising input costs, we also included information on competitors' actions in each instance. Our results suggested a contrast effect. The company with a positive CSR reputation was held to a higher standard (i.e., it was compared to those competitors who provided a superior response in the crisis) and its ambiguous action was seen as negative or inadequate. The company was punished with lower ratings of company evaluation and company beliefs relative to those in the case of a positive action. However, the company with a negative CSR reputation was held to a lower standard (i.e., it was compared to those competitors who provided an inferior response in the crisis), and its ambiguous action resulted in higher ratings of company evaluation and company beliefs relative to those in the case of a negative action. This study demonstrates a previously neglected aspect of having a positive CSR reputation, that is, its high maintenance cost. While socially responsible companies may enjoy a halo effect when their ambiguous actions are viewed in isolation, if attention is drawn to competitors with a superior response they are punished for their inadequate actions.

Our research not only complements the existing CSR literature by documenting the double-edged nature of CSR reputation, but also contributes to the research on context effects by suggesting a new variable, the presence/absence of information on competitor actions, which influences whether assimilation or contrast effects will manifest. Furthermore, our findings suggest that information internal (i.e., CSR reputation) as well as that external to the focal company (i.e., actions of competitors) will jointly determine the formation of a comparison standard against which the company will be evaluated. Prior research on contrast effects has focused on either internal (i.e., information about the company itself) or external (e.g., information about other companies) information but not both.
An Examination of the Formation of Consumer CSR Association: When Corporate Social Responsible Initiatives are Effective

Haodong Gu, The Australian School of Business, The University of New South Wales
Prof. Pamela Morrison, The Australian School of Business, The University of New South Wales

ABSTRACT:
Corporate Social Responsibility is becoming a central agenda item for companies as well as capturing the burgeoning interest of academic researchers. Taking a broad overview of the recent working in this area, only embryonic research has been dedicated thus far to the consumer cognition process towards the CSR information. Motivated by this, we construct a cognitive model to investigate why some CSR initiatives are highly valued by consumers while others go unacknowledged. Through an experimental design we test the effects of two mediating variables (consumer attribution and consumer awareness of consequence) on the formation of consumer CSR association. The results suggest that different types of CSR initiatives (commitment, timing and fit) stimulate different levels of consumer CSR association by affecting their information cognition process, which is motivation attribution and consequence expectation.

BACKGROUND

Variability in the Outcome of Corporate Social Responsible Initiatives

The past few years have witnessed a growing development of Corporate Social Responsibility (CSR) as well as a growing concern about business scandals. For example, McDonald’s adopted a recyclable packaging policy in response to a fierce consumer boycott. Coca-Cola signed an agreement providing 60 million dollars and staff time to Boys and Girls Clubs in the U.S. (Lichtenstein et al., 2004). In the recent 2008 earth quake in China, around 9 billion monetary donations have been received from both individuals and organizations all over the world. Among the 7.8 billion domestic donations from China, 5.2 billion (67%) were made by business enterprises and Non-profit organizations. However, the outcome of these initiatives is sometimes unsatisfactory, and may even “backfire” against the companies in some cases (Luo and Bhattacharya, 2006), with companies reaping neither the profitability nor the stakeholder satisfaction from the CSR efforts.

The under-performance of CSR initiatives is perplexing. From the perspective of the consumer, prior literature has explored the relationship between consumer CSR association and their supportive behaviors (such as product purchasing). The conclusion is that a high evaluation of a company’s CSR initiative only contingently affects consumer behaviors. Factors such as product attributes (Auger et al, 2003), consumer association of corporate ability (Berens et al., 2007), and consumer belief in CSR (Sen and Bhattacharya, 2001) may strengthen or weaken the association-behavior relationship. Previous research shares a common and basic assumption that CSR initiatives will result in positive consumer CSR association. Our research, however, examines and questions this assumption. Since more and more companies are using CSR initiatives as a leverage to manipulate consumer’s attitudes towards the organization, it takes more effort than before to convince consumers that the companies are really doing something good for society. For example, NIKE and Adidas have spent large amounts of money to monitor working conditions in hundreds of overseas factories (Smith, 2003), but are still viewed as typical examples of socially irresponsible companies. Therefore, an understanding of the underlying factors influencing the consumer evaluation of CSR activities is necessary to help the companies effectively launch their next wave of CSR initiatives.

This research proposes a dual-route CSR information cognition model, reflecting how different natures of CSR initiatives (e.g., commitment, timing and fit) affect consumer CSR association through consumer attribution and their awareness of consequence. It is essential to scrutinize the intervening process in order to explain why some types of CSR initiatives are highly valued while others go unacknowledged. This dual-route model also adds an alternative explanation for the unsatisfactory performance of CSR initiatives in addition to the traditional association-behavior inconsistency theory.

Consumer CSR Association

Consumers’ knowledge about the company is conceptualized as their corporate association. As one fundamental dimension of the consumer corporate association, consumer CSR association is defined as consumers’ attitudes towards and evaluation of the organizational activities with respect to its perceived societal obligations (Brown and Dacin, 1997). Consumer CSR association can be a simple “perception” or a mental “portrait” of corporate social performance; or incorporates subjective evaluations, feelings and attitudes (Brown and Dacin, 1997). Consumer CSR association has been attracting the interest of academic researchers, but most of the studies focus on the consequence and impact of consumer CSR association, whereas few studies investigate its formation. Du et al., (2007) conclude that “at present, little is known about how consumers’ CSR beliefs are formed, because extant research has been concerned primarily with the consequences of CSR: it has either manipulated consumers’ CSR association in an experimental context or assessed such beliefs without attention to its antecedents”. To fill this gap in the theory, we move beyond the traditional association-behavior study by identifying the factors driving consumer CSR association, and try to understand the mechanism of these driving factors.

MOTIVATION ATTRIBUTION AND PERCEIVED CONSEQUENCE

CSR Information Cognition Process

Consumer CSR association is grounded in cognitive moral-reasoning framework (Kohlberg, 1971). Kohlberg believes that moral judgement is not simply a “black and white” game, but involves norms, criteria, and culture development within an individual. Applying the framework in the marketing context, the judgement towards the CSR initiatives also can vary due to the contradictory components within the initiatives. For instance, a well-intended cause can have a very limited coverage or a firm forced into a mandatory philanthropy after “doing bad”. Therefore, consumers rely on their own information elaboration to establish moral judgments under such complexity. Recent research suggests that this elaboration process is becoming increasingly critical because the cognition pattern determines the consumer reaction.
of the corporate social efforts, which is one of the key foci to the managers. One well-investigated cognition process variable is consumer attribution. Osterhus (1997) and LaPafferty and Goldsmith (1999) argued that consumer trust is a key factor in consumer moral judgment, followed by some other researchers (Forehand and Grier, 2003; Ellen et al., 2006) investigating the impact of consumer attribution on corporate evaluation.

With most researchers focusing on the “unhealthy consumer skepticism” and the attribution of corporate motives, we argue that attribution alone cannot sufficiently explain why consumers hold better (worse) CSR associations towards the company. Sometimes, consumers believe that the underlying motivation of the company is to provide social assistance. However, they may not be confident that the CSR initiative alone is capable of making real differences to social problems. Since this low confidence in the effectiveness of the CSR initiatives hampers consumers forming a positive CSR association, another mediator (the awareness of consequence) is proposed. The perceived consequence has been modeled as a crucial driving factor in consumer judgment and behavior in the cognitive psychological literature. It is proposed as one of the vital forces that impact on consumer CSR association in this research.

To test the consumer CSR information cognition process, different types of CSR information are investigated as inputs (see Figure 1). By scrutinizing the impact of the antecedent information on consumer attribution and awareness of consequence, their role as mediating factors can be supported or denied. When a firm decides to participate in CSR initiatives, many options are available to structure the offer. Among all these options, we select the three most important properties: (a) initiative commitment; (b) initiative timing; and (c) initiative fit, and discuss the possible impact of these three initiative properties on consumer CSR association.

**FIGURE 1**
The Conceptual Framework for the Study

The three selected initiative properties attract our attention because they are fundamental attributes across all CSR initiatives and better conceptualized and operationalized than the other optional properties in the literature (e.g., Olsen et al., 2006; Ellen et al., 2006; for a review, see Bhattacharya and Sen, 2004). Initiative properties of commitment, timing and fit are used in the experiments as examples to illustrate the mediation process. The conclusion that companies should aim at the highest standard of these properties in their CSR efforts is not only a misunderstanding of our research findings but also unrealistic.

**Attrition Theory**

Attrition theory offers a framework to understand the processes by which people explain, interpret, and respond to the behavior of others (Kelley and Michela, 1980). As one of the corporate communication tools, CSR initiatives also deal with the consumer attribution issues. In essence, consumers infer reasons of behaviors (e.g., why companies launch CSR initiatives) from their own observation, understanding and interpretation. According to Kaplan et al. (2007), such post-hoc sense making is important because individuals use it to “identify the causes of the events and to assign personal qualities or attributes” to those who are engaging in the social behaviors. Therefore, motivation attribution offers salient and relevant information clues for consumers to uncover the “actual image” of the companies and their CSR initiatives. Notably, the motivation for companies focusing on CSR may stem from a desire to do good or reflect an enlightened self-interest or, in most cases, a mixture of both (Smith, 2003). Therefore, most of the CSR initiatives are both social-oriented and self-focused. The key is whether they are perceived as closer to the public end or to the private end. Some studies adopt a multidimensional view on the attribution of CSR motives, but in this study, we take the position that consumers intend to simplify the elaboration process into a corporate-social tradeoff and allocate their attribution on the private-public bipolar.

Most firms profess a purely public-serving motive in their CSR campaigns. Therefore, when consumers possess sufficient information to believe that a company is using CSR as leverage for private profit (especially short-term profit), they will react negatively. Forehand and Grier (2003) documented two explanations for this negative reaction: (a) consumers would ideally like to see pure public-serving motives behind CSR initiatives and any deviation from corporate “altruism” is unfavorable; and (b) once the ulterior motives are considered to be different from what the company has alleged, an untrustworthy image was assigned to the company. Both explanations posit that private-serving attribution results in unfavorable CSR association towards the company.

**H1:** Consumers will evaluate CSR initiatives by attributing the motivation of the companies: Public-serving (private-serving) attribution will increase (decrease) consumer CSR association.

**Perceived Consequence**

Subjects rely on the close relationship between the behavior and the consequence to predict the effects of the action. This evaluation of behavioral outcomes is conceptualized as awareness of consequence: a subject’s expected magnitude of the results of action (or inaction) (Osterhus, 1997). Compared with actual and objective consequence, awareness of consequence is subjective and varies from person to person. In organizational research, perceived consequence is mainly investigated in the organizational behavior circumstances. Manager’s awareness of consequence was proposed as one dimension of “moral intensity” by Jones (1991) and was indicated to affect moral-related business decision making process in his “issue-contingent model”. In particular, when
managers expect a fierce social reaction to a company’s unethical behaviors (the awareness of consequence is negative), they choose to stall the current action and vice versa.

In addition to its impact on managerial decision making, we hypothesize that consumer’s awareness of consequence also plays a role in their CSR association formation. More specifically, in order to determine whether an initiative is effective or ineffective, consumers estimate the possible consequence of the initiatives based on their personal standpoint, interest and knowledge. Interestingly, consumers usually hold more negative outcome expectations on corporate behaviors than the managers (Bone and Corey, 2000), and the existence of the cognitive gap in outcome estimation could be extremely counterproductive (Singhapakdi et al., 1999). Therefore, studying the awareness of consequence from a consumer perspective is relevant for business management.

When consumers expect more positive consequence from the corporate social efforts, they will affiliate more confidence to the initiatives, believing that the action will provide significant social benefits. As a result, they are more likely to support or positively evaluate the initiatives. Therefore:

**H2:** Consumer will evaluate CSR initiatives by estimating the potential consequence of the CSR efforts: More (less) positive awareness of consequence will increase (decrease) consumer CSR association.

**Properties of CSR Initiatives**

**Commitment.** Initiative commitment refers to a company’s devotion to and relation with the social activities it initiated. Commitment of a company to a cause is the major factor determining whether the company is seen as exploiting the cause or repaying society. High commitment resulting in higher consumer evaluation can be justified using “gift theory”: the more effort a giver is seen as investing in the gift, the more generous and caring the giver is perceived to be and consumers are more likely to infer that the corporate motives are comparatively “pure” (Ellen et al., 2000). The high consistency stemmed from the high commitment will strengthen the company–initiative connection (Varadarajan and Menon, 1988), making consumers hold more stable associations with the company. On the other side, large investment means better chance to solve social problems and thus increase the positive awareness of consequence. Consumers believe that some social problems are obstinate and take time to alleviate, so a long lasting effort is preferred. Therefore:

**H3a:** Company’s high (low) commitment to CSR initiatives results in consumer’s public-serving (private-serving) attribution.

**H3b:** Company’s high (low) commitment to CSR initiatives will increase (decrease) consumer’s positive awareness of consequence.

**Timing.** Initiative timing is defined as the extent a company engages in initiatives as a reaction to consumer boycotts, Non-Government Organizations (NGOs) pressures or a number of other crises (Olsen et al., 2006), or whether companies implement socially responsible initiatives proactively. The theory of integration biases in impression formation indicates that consumers weight negative information more heavily than positive information when they are confronted with both (Skowronski and Carlson, 1987). Prospect theory also indicates that “negative” outcomes cause a steeper decrease in value than the effect of positive ones (Kahneman and Tversky, 1979). Therefore, although companies are devoted to the social cause to offset their previous culpability, consumers allocate more attention to the former scandal rather than to the current devotion and goodwill. The bias in the perception of corporate goodwill results in more private-serving attribution.

**H4:** Reactive timing of CSR initiatives will increase private-serving attribution while proactive initiatives increase public-serving attribution.

**Fit.** Fit refers to the perceived link between a cause and the firm’s product line, brand image, position, and target market (Varadarajan and Menon, 1988). A close connection between a company’s core business and a cause directs consumers to view the company as more expert (Hoeffler and Keller, 2002). The company itself is more professional and enjoys more resources and experience in the CSR initiatives which are related to its core competency. Initiative commitment being equal, high fit initiatives should outperform the low fit ones as evaluated by the consumers:

**H5:** High (low) fit CSR initiatives increase (decrease) consumer’s positive awareness of consequence.

**STUDY ONE**

To rule out the “noise” of past corporate image memory, Study 1 will test the effects of the mediating variables in a hypothetical brand situation (a timber based furniture manufacturer, Company X). Three independent variables are manipulated: (a) initiative commitment (high and low); (b) initiative timing (proactive and reactive); and (c) initiative fit (high and low) by providing respondents with eight scenarios (2×2×2 factorial design) on the company’s CSR efforts. CSR initiatives cover a wide range of activities including community support, product diversity, employee support, environmental protection, and overseas operation (Kinder, 2003). We chose to test the hypotheses in the environmental protection domain due to its high relevance in current society and its popularity in academic research (e.g., Osterhus, 1997; Pirsch et al., 2007).

The convenience sample consists of 357 undergraduate students and postgraduate students from a prestigious Asian university, who spent approximately 20 minutes finishing a paper-based questionnaire as the research task. Of the 315 respondents who reported demographics, 41.1% are male, and 97.8% of the respondents are between 17 to 25 years old. They are evenly distributed across the eight cells, with each cell containing 43-47 respondents. We measure their perceived commitment, timing and fit of the initiatives after they read the scenario as the manipulation checks. Consumer attribution, awareness of consequence and CSR association are also measured by existing scales. All scales used in the research are 7-point, with explicit items listed in Appendix A. Both Cronbach Alpha and CR (composite reliability) suggest good reliability and validity of the measures. Due to high convergent validity of the measures, each variable is calculated as a summate of the items in that scale. The detailed stimuli are shown below (Table 1), and the manipulations in Study 1 are successful.
TABLE 1
Manipulations Used in Study 1 and Manipulation Check

<table>
<thead>
<tr>
<th>Manipulation</th>
<th>Short Description of Scenarios</th>
<th>Manipulation Check</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>10% of annual profit invested into CSR initiatives, compared to norm of 5%</td>
<td>9.822 9.916</td>
</tr>
<tr>
<td>Low</td>
<td>5% of annual profit invested into CSR initiatives, compared to norm of 10%</td>
<td>7.466</td>
</tr>
<tr>
<td>Timing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactive</td>
<td>Company X started the CSR initiative actively, no scandals</td>
<td>4.990 13.511</td>
</tr>
<tr>
<td>Fit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Company X’s CSR initiative aims at forest protection</td>
<td>17.067 7.561</td>
</tr>
<tr>
<td>Low</td>
<td>Company X’s CSR initiative aims at water system protection</td>
<td>13.977</td>
</tr>
</tbody>
</table>

The mediating effects will be tested following the steps proposed by Baron and Kenny (1986) through a set of linear regression models. All models are checked for multicollinearity to exclude the impact of possible connection among the independent variables on the regression models. The results indicate that none of the models suffer from the multicollinearity problem.

\[
\text{Attribution} = \beta_1 \text{Commitment} + \beta_2 \text{Timing} + \beta_3 \text{Fit} + \epsilon_1 \quad (1)
\]
\[
\text{Consequence} = \beta_4 \text{Commitment} + \beta_5 \text{Timing} + \beta_6 \text{Fit} + \epsilon_2 \quad (2)
\]
\[
\text{Association} = \beta_7 \text{Commitment} + \beta_8 \text{Timing} + \beta_9 \text{Fit} + \beta_{10} \text{Attribution} + \beta_{11} \text{Consequence} + \epsilon_3 \quad (3)
\]
\[
\text{Association} = \beta_10 \text{Commitment} + \beta_{11} \text{Timing} + \beta_{12} \text{Fit} + \beta_{13} \text{Attribution} + \beta_{14} \text{Consequence} + \epsilon_4 \quad (4)
\]

TABLE 2
Results of Regression Models and Sobel Tests in Study 1

<table>
<thead>
<tr>
<th>Dependent Variable (Hypothetical Brand: Company X) N=340</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consumer</td>
<td>Awareness of</td>
<td>CSR</td>
<td>CSR</td>
</tr>
<tr>
<td></td>
<td>Attribution</td>
<td>Consequence</td>
<td>Association</td>
<td>Association</td>
</tr>
<tr>
<td>Unstandardized</td>
<td>Unstandardized</td>
<td>Unstandardized</td>
<td>Unstandardized</td>
<td>Unstandardized</td>
</tr>
<tr>
<td>Commitment</td>
<td>0.327** (0.076)</td>
<td>0.446** (0.104)</td>
<td>0.874** (0.084)</td>
<td>0.677** (0.080)</td>
</tr>
<tr>
<td>Timing</td>
<td>0.637** (0.111)</td>
<td>0.021 (0.150)</td>
<td>0.702** (0.121)</td>
<td>0.499** (0.116)</td>
</tr>
<tr>
<td>Fit</td>
<td>0.061 (0.043)</td>
<td>0.136* (0.058)</td>
<td>0.209** (0.047)</td>
<td>0.161** (0.043)</td>
</tr>
<tr>
<td>Attribution</td>
<td>0.326** (0.055)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consequence</td>
<td>0.203** (0.041)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>9.058** (1.132)</td>
<td>12.132** (1.535)</td>
<td>10.201** (1.237)</td>
<td>4.788** (1.299)</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.204**</td>
<td>0.073**</td>
<td>0.436**</td>
<td>0.532**</td>
</tr>
<tr>
<td>F-Statistics</td>
<td>30.035</td>
<td>9.859</td>
<td>88.495</td>
<td>78.067</td>
</tr>
</tbody>
</table>

Sobel Test

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>3.482</td>
<td>0.000</td>
</tr>
<tr>
<td>Timing</td>
<td>4.123</td>
<td>0.000</td>
</tr>
<tr>
<td>Consequence</td>
<td>1.380</td>
<td>n.s</td>
</tr>
</tbody>
</table>

* Significant at 0.05 level (two-tailed);
** Significant at 0.01 level (two-tailed).

The results (Table 2) suggest that consumer attribution and awareness of consequence contribute a substantial amount of explanation power to the final evaluation of CSR initiatives (Model 4 to Model 3, $\Delta R^2 = 0.98$, $\Delta F=35.313$, $P=0.000$). Initiative commitment ($t=4.284$) and timing ($t=5.800$) significantly influence the attribution of motivation, whereas the perceived consequence is determined by both the commitment ($t=4.299$) and the fit ($t=2.363$) of the initiatives. The results of the Sobel Test indicate that consumer attribution mediates the relationship of both commitment (Sobel-value=3.482, $P=0.000$) and timing (Sobel-value=4.123, $P=0.000$) to consumer CSR association. On the other hand, initiative fit (Sobel-value=3.242, $P=0.001$) and commitment (Sobel-value=2.120, $P=0.034$) go through consumers’ awareness of consequence to influence CSR association. Therefore, H1 to H5 are supported.

1 The norm is described as the industry average investment rate of CSR initiatives based on social auditing reports provided by the third party research institutes.
2 We also test the mediating effect of each variable separately by two models, and the result is consistent with the result provided in the paper.
3 Calculated by online calculator (http://www.danielsoper.com/statcalc/calc31.aspx), the P-values are two-tailed.
The non-significant relationship between initiative fit and consumer attribution presumably results from two contradicting effects. Too close a connection between the product and the cause may lead to consumer misunderstanding of the corporate motivation. For instance, Varadarajan and Menon (1988) provide an example of the alliance between Johnson & Johnson (medical product supplier) and American Red Cross Association. Johnson & Johnson spent great effort to justify that they were not using Red Cross as a new channel for commercialization. High fit between the initiative and the business may be falsely attributed by skeptical consumers. However, according to associative network theory: high fit initiatives are consistent with consumer’s general association of the company, so the CSR information can enter into a consumer’s cognition system easily without causing too much attributing elaboration. Therefore, consumers are less likely to think “why did they do that” when the cause is naturally linked with the business. On the contrary, the lack of congruity is likely to reduce the clarity of the initiative purpose and call into questioning corporate motives (Olsen, 2006). Simmons and Olsen (2006) also support that unexpectedness of low fit leads to increased elaboration on the sponsorship and this elaboration is usually negatively biased. The data suggests that the synergy of these two effects make initiative fit seemingly uncorrelated with consumer attribution.

The same phenomenon can be found in the impact of initiative timing on awareness of consequence. When companies try to recuperate their previous mistakes, they have clear aims, which are restoring the corporate image and solving social problems within their responsibility. Therefore, companies can implement CSR initiatives more efficiently because of better understanding of their missions. Damage in corporate reputation also pushes them to shake off the humiliation as fast as they can. Therefore, consumers have reasons to believe that reactive CSR initiatives lead to more positive consequences (compared with proactive but aimless ones). But as previously explained, consumers pay more attention to previous mistakes than current social efforts in reactive initiatives due to the effect of the information perceptual bias. So the corporate devotion may be under-perceived. In this sense, consumers still consider the reactive CSR initiatives to lead to less positive consequence. Combining these two effects, initiative timing has little influence on consumers’ perceived consequence of the initiatives on the aggregate level.

STUDY TWO

Study 2 is an adjusted replication of Study 1. To generalize the findings and investigate the effect of CSR initiatives in reality, the brand of “Hewlett-Packard” (HP) is used to substitute the hypothetical brand “Company X”. The same student sample is used in Study 2. We started the real brand research task after the respondents finished the hypothetical one. The manipulations of the scenarios are changed due to different industry context. As shown in Table 3, the manipulations in Study 2 are also effective, and consumers have better knowledge to tell which CSR initiative fits HP’s core business than in the hypothetical brand situation. (For real brand situation Fit\textsubscript{high} - Fit\textsubscript{low} = 6.61, t = 17.418; for hypothetical brand situation, Fit\textsubscript{high} - Fit\textsubscript{low} = 3.09, t = 7.561).

<table>
<thead>
<tr>
<th>Manipulation</th>
<th>Short Description of Scenarios</th>
<th>Manipulation Check</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commitment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>8.9% of HP’s annual profit invested into CSR initiative, compared to the norm of 4.6%</td>
<td>9.915, t = 14.476</td>
</tr>
<tr>
<td>Low</td>
<td>4.6% of HP’s annual profit invested into CSR initiative, compared to the norm of 8.9%</td>
<td>7.634</td>
</tr>
<tr>
<td><strong>Timing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactive</td>
<td>HP started the CSR initiative actively; no scandals are reported</td>
<td>5.280, t = 8.621</td>
</tr>
<tr>
<td>Proactive</td>
<td>HP was protested by “Green” NGOs for its indifference on environment before launching the eco-initiatives</td>
<td>3.010</td>
</tr>
<tr>
<td><strong>Fit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>HP’s initiative aims at product and printing supplies recycling</td>
<td>18.040, t = 17.148</td>
</tr>
<tr>
<td>Low</td>
<td>HP are conducting the project &quot;Clean the Everest&quot;</td>
<td>11.432</td>
</tr>
</tbody>
</table>
TABLE 4
Results of Regression Models and Sobel Tests in Study 2

<table>
<thead>
<tr>
<th>Dependent Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consumer Attribution</td>
<td>Awareness of Consequence</td>
<td>CSR Association</td>
<td>CSR Association</td>
</tr>
<tr>
<td>Commitment</td>
<td>0.367** (0.072)</td>
<td>0.721** (0.084)</td>
<td>0.973** (0.070)</td>
<td>0.676** (0.067)</td>
</tr>
<tr>
<td>Timing</td>
<td>0.903** (0.104)</td>
<td>0.449** (0.120)</td>
<td>1.028** (0.100)</td>
<td>0.616** (0.095)</td>
</tr>
<tr>
<td>Fit</td>
<td>0.051 (0.038)</td>
<td>0.211** (0.043)</td>
<td>0.065 (0.036)</td>
<td>-0.003 (0.032)</td>
</tr>
<tr>
<td>Attribution</td>
<td>Consequence</td>
<td>0.336** (0.047)</td>
<td>0.242** (0.041)</td>
<td></td>
</tr>
<tr>
<td>Fit</td>
<td>0.051 (0.038)</td>
<td>0.211** (0.043)</td>
<td>0.065 (0.036)</td>
<td>-0.003 (0.032)</td>
</tr>
</tbody>
</table>

F-Statistics
- 52.952
- 58.413
- 161.171
- 155.610

Sobel Test
- Value
- P-Value
- Value
- P-Value
- Commitment
- 4.150
- 0.000
- 4.863
- 0.000
- Timing
- 5.519
- 0.000
- 3.160
- 0.002
- Consequence
- 1.319
- n.s
- 3.773
- 0.000

* Significant at 0.05 level (two-tailed);
** Significant at 0.01 level (two-tailed).

The same set of linear regression models are used in Study 2 to test the hypotheses. Overall, the results (see Table 4) are quite similar to Study 1. Consumer attribution and awareness of consequence still add sufficient explanation power to the full model (Model 4 to Model 3, Δ R² = 110, Δ F=61.389, P=0.000).

More specifically, consumer attribution mediates the link of initiative commitment and timing to consumer association, while initiative commitment and timing go through the awareness of consequence to impact the final CSR association.

One major difference between models based on hypothetical brand (Study 1) and real brand (Study 2) is: for real brand, initiative fit fails to have a direct impact on consumer CSR association. One possible explanation might be that consumers perceive the “Product and Printing Supplies Recycling” project to be too close to the core business of HP (closer than the relationship between Company X and forest protection). Therefore, it would become HP’s duty to conduct this product-related project, which then no longer is categorized as a CSR initiative. This finding reinforces our understanding of corporate-social fit and its impact on corporate equity. The viewpoint of Simmons and Olsen (2006) that the CSR initiatives can be mitigated and even reversed by low fit is supported by Study 1. However, according to the results of Study 2, it seems that over-fit might also jeopardize consumer evaluation of the initiative. The results also raise another interesting question: if HP rejects to recycle its products or becomes deficient in the recycling initiative, what would the reaction be? One possible situation is that the absence of this recycling project would kindle a consumer boycott against HP’s environmental policy, with HP having to respond by launching the same initiative under negative publicity, which is quite unfavorable as shown in both Study 1 and Study 2. From this perspective, being over-fit, as a precautionary measure, can also benefit the companies.

Another difference in the real brand situation is that initiative timing has significant impact on consumer awareness of consequence. This could derive from HP’s longer history and larger corporate size compared with “Company X” (described as opening in 1986 in the scenarios). We asked the respondents to rate the size of both companies (7-point Likert scale: “Compared to competitors, HP / Company X is bigger in size”), and the result shows that HP (mean=5.27) is viewed as being significantly larger than Company X (mean=4.12, P-value=0.01). Therefore, consumers have reason to believe that HP, with greater social impact, would make far more contribution by being proactive. However, in the reactive situation, the damage made by larger companies would be perceived as more severe and harder to recover.

GENERAL DISCUSSION
Both studies support the conclusion that different types of CSR initiatives have different levels of impact on the consumers. Their CSR association towards the high commitment, proactive and fit initiatives overwhelmingly exceeds the evaluation for the “all-low” ones (Δ associations 6.473, Std.E= 0.891). Actually, the “all-low” initiatives stimulate a “non-positive” consumer association, which is allocated on the negative side of the measures. The mean value of the CSR association is 3.67 (out of the 7-point scale) in the “all-low” initiative group for the hypothetical brand and 3.36 for the real brand. Since no control group is involved in this research, it lacks sound evidence to label some CSR initiatives as valueless or even counterproductive, but the significantly different outcomes of the initiatives suggest that dealing cursorily...
with the corporate social investment makes far less corporate benefit (maybe even damage) compared with launching a well-designed CSR initiative. In addition, when asked about their willingness to pay for the products (a 7-point scale is used to measure WTP: The likelihood that I would purchase furniture/digital products from the company is “very low to very high”), given everything else being equal, the consumers in the “all-high” initiative group expressed more positive intention (mean=5.23 for the hypothetical furniture brand and mean=5.71 for the real HP brand) to purchase the products than those in the “all-low” group (mean=3.49 for the hypothetical brand and mean=3.95 for the real brand). All the signals remind the managers that a few cents of “Embedded Premium” can no longer change or even reverse the consumer preference. CSR campaigns need to be carefully planned, designed and implemented to reflect the benefit of both the company and the stakeholders. Our studies also provide theoretical guidance for constructing corporate-social affiliations. How consumers attribute the motives and how they rate the effectiveness of the initiatives should always be the key targets to aim at when selecting social causes, as they are the major elaboration processes in assessing social efforts.

**LIMITATIONS**

The major limitation of this research is that the mediating effects of consumer attribution and awareness of consequence are examined through a series of statistical tests. However, to suggest a causal relationship, we need to design further experiments, in which the two mediating routes are to be interrupted or controlled rather than being measured. Some other intervening factors may also exist in the CSR information cognition process, pending further review. In addition, natural fit (original image congruency between the company and the initiative, independent of communication efforts to raise the perceived fit) is used in the studies. Companies can strengthen a social affiliation by appropriately communicating with its audience even when the cause is not a natural fit one, which is a common practice in today’s business. Future research can investigate the impact of fit more precisely in various situations. In addition, situational inputs and instantaneously constructed judgments are currently overshadowed by most studies, with consumer CSR research suffering from Fundamental Attribution Error. Therefore, the investigation of how external stimuli moderate each cognitive path possesses potential for future research. The heterogeneity among consumers may also have some moderating impact on the elaboration model proposed in this paper.

**Appendix: Measures and Validation**

<table>
<thead>
<tr>
<th>Scale</th>
<th>Std Loading</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Commitment (7-point Scale, Correlation=0.579)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company is committed to the initiative</td>
<td>0.722</td>
<td></td>
</tr>
<tr>
<td>The company cares about the initiative</td>
<td>0.801</td>
<td>11.344</td>
</tr>
<tr>
<td>Perceived Timing (7-point Scale)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company launched the social projects as a reaction to negative publicity?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Fit: Ellen et al. (2006) (7-point Scale, Alpha=0.880, CR=0.775)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I think the fit between the company and its CSR initiative is:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From “Connected” to “Unconnected”</td>
<td>0.851</td>
<td></td>
</tr>
<tr>
<td>From “Relevant” to “Irrelevant”</td>
<td>0.974</td>
<td>20.699</td>
</tr>
<tr>
<td>From “Appropriate” to “Inappropriate”</td>
<td>0.712</td>
<td>15.640</td>
</tr>
<tr>
<td>Consumer Attribution: Olsen et al. (2006) (7-point Scale, Alpha=0.874, CR=0.796)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company’s motivation for participating in the initiatives is:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From “Self-interested” to “Community-interested”</td>
<td>0.829</td>
<td></td>
</tr>
<tr>
<td>From “Firm focused” to “Customer focused”</td>
<td>0.862</td>
<td>17.880</td>
</tr>
<tr>
<td>From “Profit motivated” to “Socially motivated”</td>
<td>0.816</td>
<td>16.966</td>
</tr>
<tr>
<td>Consumer Awareness of Consequence: Osterhus (1997) (7-point Scale, Alpha=0.873, CR=0.800)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company’s initiative helps the environment</td>
<td>0.877</td>
<td></td>
</tr>
<tr>
<td>The company’s initiative helps make our world clean</td>
<td>0.854</td>
<td>19.611</td>
</tr>
<tr>
<td>The company’s initiative will help future generations</td>
<td>0.785</td>
<td>17.474</td>
</tr>
<tr>
<td>The company’s initiative alleviates current environmental problems</td>
<td>0.676</td>
<td>14.120</td>
</tr>
<tr>
<td>Consumer CSR Association: Berens et al. (2005; 2007) (7-point Scale, Alpha=0.884, CR=0.799)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company behaves in an ethically responsible manner</td>
<td>0.769</td>
<td></td>
</tr>
<tr>
<td>The company has a large commitment to society</td>
<td>0.810</td>
<td>15.814</td>
</tr>
<tr>
<td>I think that the company supports good causes</td>
<td>0.816</td>
<td>15.934</td>
</tr>
<tr>
<td>I think that the company behaves responsibly regarding the environmental issues</td>
<td>0.843</td>
<td>16.539</td>
</tr>
</tbody>
</table>

\(^1\) CR=Composite Reliability
REFERENCES


Consumers Preferences Towards Restaurants: Examining Their Homogeneity
Dr. Yogesh Upadhyay, Jiwaji University, INDIA
Dr. Shiv Kumar Singh, Institute of Commerce and Management, Jiwaji University, INDIA
Mr. Dhiraj Sharma, Indian School of Business, INDIA

ABSTRACT

The reverberations of rapidly growing Indian economy are being observed in lifestyle of consumers in India. The number of people dining at restaurants is rising as more women are working outside the home, busier lifestyles and more disposable income. The present paper attempts to analyze Indian consumers' preferences towards restaurants with the help of survey conducted outside the restaurants (usable surveys 370) and segments them on the basis of these preferences. The findings of this study suggest how preferences of consumers converge and their relative positions in dealing with extrinsic and intrinsic cues. The study proposes seven factors that evolve out of responses of consumers towards 36 variables that a consumer normally faces. The study advocates three segments of consumers visiting restaurant viz. "deal seekers," "preference seekers" and "experience seekers," based on their preferences. The outcome of the study carries implications for researchers and entrepreneurs.

By 2025, India will become fifth largest consumer market as income and standards of living scale upwards, according to a study by McKinsey Global Institute (2005). The report further adds that Indian middle class will grow from present 50 million to about 583 million by then. The imprints of thrust in India’s development are observable in changing life styles of consumer. On the social plane, nuclear families are coming up that gross high per head income. Whereas, on the economic side, rising family incomes in India are exhibiting an accelerator effect on consumption. This has a direct bearing on the spending involving food. The dining which earlier used to be occasional is fast catching up and settling as recourse to quick meals, entertainment, social gathering, family-outing etc. In India the plausible reasons for this trend are similar to world at large like increasing pattern of more women working outside the home, busier lifestyles and more disposable income (Roseman 2006). Other reasons attributed are quick meals, sojourn with friends, convenience, family outing, social occasions, business necessity, celebration, regular weekly dine-out etc. (Kivela 1997; Kivela et al. 1999; Pedraja and Yague 2001). Kendall (2000) predicts that the trend for eating out more often will continue and even accelerate.

According to a research project conducted by Federation of Hotel and Restaurant Associations of India (2005) eating out has emerged as a trend in 10 million households in India whose household income is on average Rs. 46,000 per month and about 40% of these opt to eat out at least in a month. As per one of the estimates, the figure of restaurants that customers use to eat out is approximately 500,000 in organized sector and is expected to scale upwards in medium term (The Economic Times 2005).

Consumer decision making process has always been a subject of interest for marketers. Its understanding helps them to blend a focused marketing mix to delight customers on a sustainable basis. Present study examines the decision making process in respect of one of the fast emerging area of service in India i.e., restaurants. The scanning of decision making process of consumers in restaurant sector will help to comprehend how people select restaurants, weigh variables in restaurant selection, convergence of their preferences etc., especially in India. The study augments understanding regarding preferences of selected cross-sections of the consumers concerning restaurants and their cognitive unanimity in dealing with restaurants in the backdrop of multiplicity of cues.

Given the advancing phenomena of eating out and in view of the scarcity of empirical research describing the consumption behavior of Indians especially pertaining to restaurants, this study attempts to investigate the variability, if any, in preferences towards restaurants due to demographic and other differences.

LITERATURE REVIEW

Most of the research concerning selection of a restaurant usually are “…based on identification of determinant attributes” (Bojanic 2007). Identification of attributes has to be seen in the backdrop of context, sampling unit, type of data collection techniques, etc. For example, a study concerning staff of a University at Ankara, Turkey shows that the most important influences on the choice of dine-out units are hygienic factors, including cleanliness of the restaurant, food, china and cutlery, service personnel, toilet and lavatory and kitchen (Aksoydan 2007). Whereas a study (Baek et al. 2006) that surveyed college students of Korea and Philippines revealed Menu Price as the most important attribute. Next to follow, broadly were food related factors, service and hygiene related factors. A study of senior tourists suggests that display of menu was considered the most important determinant while on holiday (Sparks et al. 2003), whereas, an online survey of 685 seniors revealed that two dimensions of attributes that regulate selection of a restaurant are: experience and incentives (Knutson, Beck and Elsworth (2006a; 2006b)).

Mehta and Maniam (2002) examined consumer preferences towards restaurant in context of leisure, Yuksel and Yuksel (2002) studied selection of restaurants by tourists in Turkey, Kivela et al. (2000) examined consumers’ preferences towards restaurants in Hong Kong, Cullen (2005) investigated consumer preferences for Italian and Chinese styled restaurants. Many studies investigated impact of interior on consumer preferences towards restaurants (e.g., Andersson 1991; Aubert-Gamet 1997; Baker 1986; Belk 1975; Bittner 1992; Millman 1986; Stevens et al. 1995; Turley and Bolton 1999; Shostack 1977, 1987; Ward et al. 1992) and few other studies underpin the importance of ambiance in restaurant selection (e.g. Auty 1992; Bittner 1992; and Finkelstein 1989). Studies from Auty (1992) and Andersson and Mossberg (2004) argued that consumer preferences towards restaurants are hierarchical. Many studies have attempted to comprehend consumer preferences towards restaurant by segmenting them on the basis of benefits sought (e.g., Auty 1992; Bahn and Granzin1985; Koo, Tao and Yeung 1999; Yu-Hua and Morrison 2007; Yuksel and Yuksel 2002).

Finally, research in this sector indicates that multitude of factors affect consumer preferences towards restaurants like demography (e.g., Cullen 2005; Aksoydan 2007; Kivela et al. 1999; Withiam 1985), psychology (e.g., Cullen 2005), restaurant type (Kivela et al. 1999), occasion (e.g., Cullen 2005), and Values (Blose and Litvin 2005) etc.

The present study proposes to study convergence in consumer preferences regarding restaurants where they wish to dine out and segment them on the basis of benefits sought in India.
METHOD

Sample
The study utilized self-administered questionnaire carrying close-ended questions to collect the responses in the survey that was conducted during evening hours outside restaurants from January to April 2008. The study was conducted at Gwalior, Bhopal, Delhi, Hyderabad, and Mumbai. Restaurants selected for the purpose of the study were those that qualify to be restaurants as per the membership norms laid down by Federation of Hotel and Restaurant Association of India (www.fhari.com). Of the total 650 customers contacted, 407 agreed to be part of survey (response rate: 62.61%). 26 questionnaires were not considered as data could not be fully recorded. 11 questionnaires were further excluded as were considered outliers making them sensitive for further analysis (see Table 1). Families whose size was more than two, normally refused to be part of survey sighting their preoccupations.

TABLE 1
Demographic Profile of Sample

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upto 25</td>
<td>227</td>
<td>61.35</td>
</tr>
<tr>
<td>26-35</td>
<td>90</td>
<td>24.32</td>
</tr>
<tr>
<td>36-45</td>
<td>32</td>
<td>8.65</td>
</tr>
<tr>
<td>46-55</td>
<td>21</td>
<td>5.68</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upto 2.5 lakhs</td>
<td>149</td>
<td>40.27</td>
</tr>
<tr>
<td>2.6 – 5.0 lakhs</td>
<td>142</td>
<td>38.38</td>
</tr>
<tr>
<td>6-10 lakhs</td>
<td>64</td>
<td>17.30</td>
</tr>
<tr>
<td>Above 11 lakhs</td>
<td>15</td>
<td>4.05</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>207</td>
<td>55.95</td>
</tr>
<tr>
<td>Female</td>
<td>163</td>
<td>44.05</td>
</tr>
</tbody>
</table>

Variable Measurement
First, attributes considered by dining out consumers in selecting a restaurant were finalized with the help of review of literature (Auty 1992; Kivela 1997; Kivela et al. 1999; Kivela et al. 2000; Mehta and Maniam 2002; Yuksel and Yuksel 2002) and focus groups conducted for the purpose. In all, 36 attributes were selected to collect the responses of consumers. These attributes were used to develop a self-administered, close-ended questionnaire consisting of a seven point scale using ‘extremely important’ at one end of the continuum and ‘not at all important’ at the other. Towards the end, respondents were asked to submit their demographic profile.

Data Analysis
Respondents’ ratings were subjected to principal factor analyses with Varimax rotations to reduce potential multicollinearity among the items and improve reliability in market segmentation as factor scores are used for subsequent analysis. The coefficient alpha of reliability was computed for each factor to check its internal consistency. Consistent with the suggestions of Punj and Stewart (1983), consumers’ restaurant selection dimensions as identified by the factor analysis were used cluster analysis instead of the original ratings on variables. The identified cluster structure was then subjected to MANOVA and discriminant analysis to double-check in part the classification reliability.

STEP 1 - FACTOR ANALYSIS
The sample size met the set parameters as it was more than 100 (Hair et al. 1995) and sampling adequacy as measured by Kaiser-Meyer-Olkin (0.825) was meritorious (Hair et al. 1995). The significance of correlation matrix with Barlett test of sphericity value of 6511.69 indicated significant correlation between the variables, thus advocating appropriateness of application of factor analysis. Rotation converged in fourteen iterations. Varimax rotation converged original 36 variables into 07 orthogonal factor dimensions with Eigen values greater than or equal to 1.0 and reliability coefficient more than 0.65 (Nunnally, 1978) accounting for 58.34% of overall variance. These seven factors are defined by 24 variables that loaded heavily on them (loading > 0.5) (see Table 2). Each factor’s name was derived from the characteristics of its composing variables. The first factor was labeled as ‘Service quality and taste’, as this factor was formed by the variables of friendly, polite, helpful staff, food tastiness, food and beverage knowledge of staff, willingness of staff to serve and taste. This factor explained over 27% of the total variance and had an Eigen value of 9.84 (Table 2). The second factor was labeled as ‘Value and Ambiance’, as this factor was markedly composed of value and atmosphere related variables. This factor explained about 10% of the total variance and had an Eigen value of 3.44. Rests of the retained factors were labeled in accordance with their composite characteristics.
## TABLE 2
Factor Analysis

<table>
<thead>
<tr>
<th>Factor 1: Service Quality and Taste</th>
<th>Loadings</th>
<th>Mean</th>
<th>Communal Value</th>
<th>Eigen Value</th>
<th>Variance (%)</th>
<th>Cumulative Variance (%)</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friendly, polite, helpful staff</td>
<td>.74</td>
<td>5.97</td>
<td>.64</td>
<td>9.84</td>
<td>27.32</td>
<td>27.32</td>
<td>.78</td>
</tr>
<tr>
<td>Food tastiness</td>
<td>.66</td>
<td>6.12</td>
<td>.68</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff have food/beverage knowledge</td>
<td>.62</td>
<td>5.77</td>
<td>.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff are willing to serve</td>
<td>.60</td>
<td>5.62</td>
<td>.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consistent service quality</td>
<td>.58</td>
<td>5.65</td>
<td>.65</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 2: Value and Ambiance</th>
<th>Loadings</th>
<th>Mean</th>
<th>Communal Value</th>
<th>Eigen Value</th>
<th>Variance (%)</th>
<th>Cumulative Variance (%)</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling of comfort</td>
<td>.62</td>
<td>6.11</td>
<td>.69</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food value for money</td>
<td>.57</td>
<td>5.55</td>
<td>.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reasonable food prices</td>
<td>.64</td>
<td>5.40</td>
<td>.71</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Atmosphere in the restaurant</td>
<td>.74</td>
<td>5.74</td>
<td>.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 3: Context</th>
<th>Loadings</th>
<th>Mean</th>
<th>Communal Value</th>
<th>Eigen Value</th>
<th>Variance (%)</th>
<th>Cumulative Variance (%)</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low crowd in the restaurant</td>
<td>.77</td>
<td>4.59</td>
<td>.71</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children facilities</td>
<td>.69</td>
<td>4.63</td>
<td>.57</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visibility of food preparation area</td>
<td>.62</td>
<td>4.07</td>
<td>.60</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 4: Cleanliness</th>
<th>Loadings</th>
<th>Mean</th>
<th>Communal Value</th>
<th>Eigen Value</th>
<th>Variance (%)</th>
<th>Cumulative Variance (%)</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adventurous menu</td>
<td>.75</td>
<td>5.84</td>
<td>.58</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleanliness of restaurant staff</td>
<td>.71</td>
<td>5.92</td>
<td>.74</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cleanliness of the restaurant/utensils</td>
<td>.67</td>
<td>6.03</td>
<td>.73</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 5: Facilities and Hygienics</th>
<th>Loadings</th>
<th>Mean</th>
<th>Communal Value</th>
<th>Eigen Value</th>
<th>Variance (%)</th>
<th>Cumulative Variance (%)</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dining privacy</td>
<td>.71</td>
<td>5.18</td>
<td>.55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parking facility</td>
<td>.63</td>
<td>5.41</td>
<td>.63</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hygienic food preparation</td>
<td>.53</td>
<td>6.23</td>
<td>.65</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 6: Customisation</th>
<th>Loadings</th>
<th>Mean</th>
<th>Communal Value</th>
<th>Eigen Value</th>
<th>Variance (%)</th>
<th>Cumulative Variance (%)</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of dishes liked</td>
<td>.78</td>
<td>5.31</td>
<td>.74</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of beverages liked</td>
<td>.75</td>
<td>4.89</td>
<td>.74</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quietness of restaurant surroundings</td>
<td>.53</td>
<td>5.18</td>
<td>.73</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor 7: Experience</th>
<th>Loadings</th>
<th>Mean</th>
<th>Communal Value</th>
<th>Eigen Value</th>
<th>Variance (%)</th>
<th>Cumulative Variance (%)</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temperature at restaurant</td>
<td>.72</td>
<td>5.48</td>
<td>.66</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of menu items</td>
<td>.63</td>
<td>5.75</td>
<td>.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New dining experience</td>
<td>.59</td>
<td>5.29</td>
<td>.65</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


**STEP 2 - CLUSTER ANALYSIS**

To assign observations to clusters, we clustered the complete sample by a hybrid approach (Punj and Stewart 1983) that combined hierarchical method with non-hierarchical method. Punj and Stewart (1983) noted that outliers can hamper algorithm performance when more than 90% of all observations are fed into the cluster algorithm. Therefore, outliers (n=11) were deleted from data to make it safe for cluster analysis. Based on the guidelines for the identification of clusters in the literature, a visual inspection was carried out of the horizontal icicle dendogram on the computer printout and the sudden jumps in the algorithm schedule. This initial analysis indicated three to five cluster solution. Subsequently, k-means clustering procedure was used to develop three, four, and five cluster solutions based on seed points suggested by the earlier hierarchical clustering.

K-mean cluster analysis resulted in 370 respondents being grouped into three clusters which are termed as “context seekers,” “attention seekers” and “hygiene seekers”. ANOVA tests also indicated that all seven factors aggregating restaurant preferences make a significant contribution to differentiate the three clusters (p < .05). Our sample included 32 context seekers, 226 attention seekers, and 112 hygiene seekers. Table 3 presents the profile of the three clusters with the factor scores of restaurant preferences and significant level of ANOVA tests.

**Cluster 1: Deal Seekers.**

As in the factor analysis, each cluster was also labeled in accordance with the characteristics of its composites. This cluster contains 8.65% of the total sample (32 out of 370). Mean scores (Table 3) suggest that consumers in this cluster want facilities,
service quality, tasty food, good ambiance, hygienic and whatever a restaurant has to offer till it does not add to the cost of engagement. Customers in this segment are cautious enough to subside their personal preferences in view of cost concerns. Additionally, any add-in that contribute to cost has not find a place in their preference list. Finally, this segment is very demanding as they seek maximum possible benefits out of an engagement with least sacrifices.

Cluster 2: Preference Seekers. This cluster contains highest number of restaurant customers viz., 61.08% of the total sample (226 out of 370). Mean scores (Table 3) suggest that consumers in this cluster prefer restaurants that care their aspirations and are able to offer a personalized experience. They prefer a restaurant where there is insignificant crowd, possess children facilities etc. This segment prefer hygiene over taste. It reasons their preference for visibility of food preparation area. This segment hardly exhibits any concern towards cost.

Cluster 3: Experience Seekers. This cluster contains 30.27% of the total sample (112 out of 370). Consumers in this cluster attach highest importance to overall experience at the restaurant. While selecting a restaurant they seek comfort, quality atmosphere, conditioning of temperature etc. Overall they visit restaurants seeking different experience. This segment visits restaurant to fulfill hedonic rather than utilitarian motives. As such, taste and hygiene of food is hardly a concern for them. Further, they do not care about quality of service and prefer value.

### TABLE 3

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Factor 1 Service Quality and Taste</th>
<th>Factor 2 Value and Ambiance</th>
<th>Factor 3 Context</th>
<th>Factor 4 Cleanliness</th>
<th>Factor 5 Facilities and Hygiene</th>
<th>Factor 6 Customisation</th>
<th>Factor 7 Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster1 [32]</td>
<td>.50321</td>
<td>-1.3722</td>
<td>-2.6832</td>
<td>1.1614</td>
<td>-1.2551</td>
<td>.26650</td>
<td></td>
</tr>
<tr>
<td>Cluster2 [226]</td>
<td>.07069</td>
<td>-.31763</td>
<td>.17926</td>
<td>.08930</td>
<td>.31097</td>
<td>.30878</td>
<td>-.31191</td>
</tr>
<tr>
<td>Cluster3 [112]</td>
<td>-.28641</td>
<td>.42759</td>
<td>.03037</td>
<td>-.10353</td>
<td>-.95933</td>
<td>-.26447</td>
<td>.55325</td>
</tr>
</tbody>
</table>

### STEP 3 – MANOVA

In order to test whether significant differences in restaurant selection criteria exist across segments, a multivariate analysis of variance (MANOVA) was conducted using the segments as the independent variable and the seven factors as dependent variables. Wilks’ lambda 0.62 (significant at 0.000 level) indicated overall differences between clusters. It is important to note that a fundamental assumption of MANOVA was satisfied, as a test of equality of group covariance matrices using Box’s M (Box’s M = 302.83, F = 5.11 with 56, 25092.008 df, p = 0.000) indicated that the covariance was equal. Then, a univariate F test was used to investigate the sources of these group differences. The results revealed all factors contributed towards significant difference among clusters, except cleanliness (p<0.05). Therefore, the analysis indicated the robustness of factor structure in segmenting customers visiting restaurants in line with their preferences.

### TABLE 4

<table>
<thead>
<tr>
<th>Factor 1: Service Quality and Taste</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Segments</td>
<td>18.420</td>
<td>2</td>
<td>9.210</td>
<td>9.641</td>
<td>.000</td>
</tr>
<tr>
<td>Within Segments</td>
<td>350.580</td>
<td>367</td>
<td>.955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor 2: Value and Ambiance</td>
<td>Between Segments</td>
<td>61.120</td>
<td>2</td>
<td>30.560</td>
<td>36.428</td>
</tr>
<tr>
<td>Within Segments</td>
<td>307.880</td>
<td>367</td>
<td>.839</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor 3: Context</td>
<td>Between Segments</td>
<td>67.627</td>
<td>2</td>
<td>33.814</td>
<td>41.177</td>
</tr>
<tr>
<td>Within Segments</td>
<td>301.373</td>
<td>367</td>
<td>.821</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor 4: Cleanliness</td>
<td>Between Segments</td>
<td>5.307</td>
<td>2</td>
<td>2.653</td>
<td>2.677</td>
</tr>
<tr>
<td>Within Segments</td>
<td>363.693</td>
<td>367</td>
<td>.991</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor 5: Facilities and Hygiene</td>
<td>Between Segments</td>
<td>168.095</td>
<td>2</td>
<td>84.047</td>
<td>153.532</td>
</tr>
<tr>
<td>Within Segments</td>
<td>200.905</td>
<td>367</td>
<td>.547</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor 6: Customisation</td>
<td>Between Segments</td>
<td>79.790</td>
<td>2</td>
<td>39.895</td>
<td>50.625</td>
</tr>
<tr>
<td>Within Segments</td>
<td>289.210</td>
<td>367</td>
<td>.788</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor 7: Experience</td>
<td>Between Segments</td>
<td>58.542</td>
<td>2</td>
<td>29.271</td>
<td>34.602</td>
</tr>
<tr>
<td>Within Segments</td>
<td>310.458</td>
<td>367</td>
<td>.846</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STEP 4- DISCRIMINANT ANALYSIS

Discriminant Analysis was employed to double check the cluster structure. As the significance value of Wilks’ Lambda test (which tests the hypothesis that the means of the functions listed are equal across groups) is less than 0.05, it indicates that the groups differ, and therefore the function is a significant discriminator. This is clearly the case in this study (p < .000) and one can conclude that both the functions are a valid discriminator. The three clusters generated in the study are significantly different from each other.

Table 5

<table>
<thead>
<tr>
<th>Test of Function(s)</th>
<th>Wilks’ Lambda</th>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 through 2</td>
<td>.137</td>
<td>723.044</td>
<td>14</td>
<td>.000</td>
</tr>
<tr>
<td>2</td>
<td>.455</td>
<td>286.990</td>
<td>6</td>
<td>.000</td>
</tr>
</tbody>
</table>

Finally, the effectiveness of discriminant function is decided by its rate of correct classification of original variables among the clusters. To this effect, it can be observed that the discriminant function has been able to classify 99.7% of original variables into the predefined groups. The high-level of accurate classification suggest the robustness of discriminant function.

TABLE 6

Classification Results

<table>
<thead>
<tr>
<th>Cluster Number of Case</th>
<th>Predicted Group Membership</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Original Count</td>
<td>1</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>% age</td>
<td>1</td>
<td>96.9</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>.0</td>
</tr>
</tbody>
</table>

99.7% of original grouped cases correctly classified.

DISCUSSION AND IMPLICATIONS

This study examines consumer-supplied preferences and investigates their homogeneity/heterogeneity across preferences as well as consumers. Thus, the intent was twofold – first, to explore broad undercurrents, if any, in consumer preferences concerning restaurants and second, homogeneity of consumers across these preferences. The study was initiated in the backdrop of absence of any significant study in India and the prominence of consumers’ preference towards cleanliness and hygiene in a restaurant setting too harmonizes with earlier referred studies.

Further, study buttress findings of similar studies (e.g., Kivela et al. 2000), Cullen (2005), Mehta and Manian (2002), Kivela et al. (2000), Cullen (2005), Mehta and Manian (2002) etc. Studies undertaken to learn consumers’ preferences towards restaurants either identified ‘service quality’ or ‘food quality’ as primary motivators which syncs with the findings of the present study. The outcome of the present study is at distance with others viz. service, fine cuisine, interior, good company and other customer. These studies support the outcome of the present study that there are host of other factors that consumers prefer when they want to dine out in addition to the core i.e. food.

The study further contributes by suggesting the heterogeneity in consumers’ responses in respect of evolved factors. Their classification into ‘deal seekers’, ‘preference seekers’ and ‘experience seekers’ based on the benefits they seek, offers marketers better insight in the benefits sought by each segment that can help them to calibrate their marketing efforts. The study of Yuksel and Yuksel (2002) partially supports the evoked segmentation structure. Presence of a large customer base i.e., ‘Preference Seekers’, who seek apt response from restaurant managers, heralds an emerging era of buyer’s market in India. With an increase in economic well-being in India, consumers seem to have learned to exercise their options. The results further indicate restaurant market is no longer sellers’ market. Interestingly
this sizeable segment is not value conscious, suggesting thereto that marketers can keep their top-line ticking by aligning their offering to a host of personalised demands of this segment. Moreover, a simple classification scheme of consumers visiting restaurant in India indicate that the restaurant market in India is at nascent stage and has yet to evolve. The outcome of the present study could be used by franchises, owners and others who are in similar line of business to fine tune their marketing mix and position accordingly. This study provides a foundation for future research in an emerging sector of Indian economy i.e., restaurants, by evolving possible dimensions of consumer preferences and their distinct segments.

This study can be further extended by inducting possible moderating variable(s) like motives (Wakefield and Blodgett 1994, 1996). Additionally, the variations in preferences due to psychological and demographic reasons could also be investigated. Majority of studies concerning extrinsic and intrinsic cues have been made in context of products (e.g., Cox 1967; Jacob et al. 1971; Dodds 1985; Dodds and Monroe 1985; Dodds et al. 1991; Olson 1972; Moore and Carpenter 2008; Peterson 1977). A very few studies have tried to deal with what constitutes intrinsic and extrinsic to a service setting, especially restaurants. Consumer preferences can also be studied from the point of view of intrinsic and extrinsic cues triggering choice of a restaurant that will lead to better focus of marketing efforts. Finally to overcome stating bias, the study could be conducted in a natural setting. It is believed that this will help in improving responses as well.

REFERENCES
DVV Media Group (2008), Log India Year Book, India, Mumbai.


Parents’ Perception of Teen’s Influence on Family Purchase Decisions: A Study of Cultural Assimilation

Dr. Gurvinder S. Shergill, Massey University, NEW ZEALAND
Min Zhao, Auckland, New Zealand

ABSTRACT
This study investigates the cultural assimilation influence on family purchase decision-making of Chinese immigrant families in New Zealand, and in Chinese families living in China (PRC). The data is collected from 200 respondents. One-hundred families have been chose from each of these countries. The results of this research show that cultural assimilation does have an influence on parental perceptions of teen’s influence on family decision-making. Chinese immigrants’ teenage children in New Zealand were perceived as having more influence within the family than their peers in Chinese families living in China.

Key Words: cultural assimilation, family purchase decision, Chinese family, Chinese immigrant family, decision-making stages, product types.

INTRODUCTION
As the primary, and basic, consumption unit the family has been paid increasing attention by marketers and marketing research in recent years, including the decision-making stages and the influences on decision-making (Kim and Lee, 1997; Moore et al., 2002). Many studies have examined the influence of husbands and wives on their family purchase decision-making, in terms of various consumption decisions and across different cultures (see, for example, Cox, 1975; Davis, 1976; Hempel, 1974). Some researchers have pointed out that children will influence the family decision-making process and an increasing number of research results show that teenagers are an attractive market segment, through their influence on their parents’ spending, as well as through spending their own money, as well as through the fact that they will spend more in the future (Martin and Bush, 2000; Zollo, 1995). Furthermore, due to the spending power controlled by the teenage demographic, this group is usually a trendsetter in terms of consumption patterns (Martin and Bush, 2000).

Increasingly, children are no longer passive observers; they are increasingly becoming active participants in the family purchase decisions (Martin and Bush, 2000). They not only spend their own money on a diversity of products and services of their own choosing, but also have extensive influence on family purchase decision-making (Wimalasiri, 2004). According to McNeal (1992), in China, there are more than 300 million people under the age of fifteen years, with children being referred to as little Emperors. They are interested in everything from confectionary to computer games (Zikmund and d’Amico, 1998). According to Wimalasiri (2004), the teenage market in Australia is worth around AUS3.9 million, and is worth around AUS$800,000 in New Zealand.

Teenagers are perceived by parents as having influence on family purchase decision-making. The perception of parents in this area will, however, be influenced by the family’s cultural background. Under different cultural backgrounds, parents will have different perceptions regarding teenagers’ influence on family purchase decision-making (Lassere and Schutte, 1995; Adler, 1987; Shoham and Dalakas, 2003; 2005). This research tested whether cultural assimilation influences Chinese immigrant parents’ perceptions of children’s influence on family decision-making in New Zealand. To isolate the effects of the Chinese and New Zealand cultures, two surveys were conducted: One of Chinese immigrant families in New Zealand; and the other of Chinese families residing in China. The surveys dealt with the parents’ assessment of the children’s influence on different types of products purchased and the family purchase decision-making stages. The surveys also tested whether cultural assimilation influences parental perceptions of children’s influence as the children grow up.

LITERATURE REVIEW
Factors impacting children’s influence
In this research, a family purchase is defined as, “…one in which all family members were involved in the decision-making process or consumption of the purchased item or service” (Thomson, 2003, p.23). Research into family purchasing patterns often focuses on the role of spouses, or of the husband and wife separately (Cox, 1975; Davis, 1976; Hempel, 1974). This ignores the important role of children in family purchase decision-making and, therefore, misrepresents the reality of family purchasing behaviour, whereby products are purchased and consumed together by the family (Thomson, 2003). Many previous studies have indicated that children were perceived by parents to have influence during the family purchase decision-making process, and that this influence varies due to a number of different factors.

These factors include, product type (e.g. Foxman and Tansuhaj, 1988; Jenkins, 1979), the decision stage (e.g. Nelson, 1979; Shoham and Dalakas, 2003) and the child’s age (e.g. Nelson, 1979; Atkin, 1978). In this research the impact of these three factors on children’s perceived influence is investigated. Therefore, the following section will present the studies related to these three factors’ and their impact on children’s perceived influence.

Product type
Product type is one important source of variation in children’s influence in the family purchase decision-making process (Mangleburg, 1990). Most of the studies in this area found that children were perceived to have more influence on the purchase of products for which they were the primary users (Shoham and Dalakas, 2003). For instance, children are perceived to have substantial influence in the purchase of breakfast cereals, snack foods, toys, children’s clothes and school supplies (Atkin, 1978; Belch et al., 1985; Brody et al., 1981; Foxman and Tansuhaj, 1988; Foxman et al., 1989a; Jenkins, 1979; Mehrotra and Torres, 1977; Moschis and Mitchell, 1986; Holdert and Antonides, 1997; Chavda et al., 2005). The main explanation for the above phenomenon is that children will be more involved in the purchase of products for themselves and in the purchase of those products which are seen by them as being personally relevant to them (Mangleburg, 1990).

On the other hand, children were perceived to have less influence on the purchase decisions regarding products which are used by the entire family (Mangleburg, 1990). For example, children have been found as being perceived to have little influence on the purchase of motor vehicles, life insurance and televisions (Belch et al., 1985; Foxman et al., 1989b; Jenkins, 1979). Parents prefer to make these decisions without permitting the child to influence them, due to the financial risks involved, meanwhile,
children are also found to have less motivation in influencing the purchase of those products which have low personal relevance to them (Mangleburg, 1990).

**Decision stages**

The other important source of variation in children’s influence is the decision stages during the decision process (Mangleburg, 1990). Most of these studies found that children were perceived as having greater influence on the early stages (problem recognition and information search), with this influence declining as the decision-making progresses through the stages (Nelson, 1979; Szybillo and Sosanie, 1977; Swinyard and Sim, 1987; Wimalasiri, 2004). Wimalasiri (2004) found that children were influencers during the family purchase decision stages and used different tactics to influence parental decision-making. Holdert and Antonides (1997) found, however, that children are perceived to have more influence at the stages of alternative evaluation, make choice and make purchase during the family decision-making process, than at the problem recognition stage.

**Child’s age**

Most studies have found that older children will have more influence than will younger children. For example, Atkin (1978) found that older children were perceived as having more influence on family cereal purchases than were younger children; Nelson (1979) concluded that older children had more influence in choosing the restaurant for the family to eat out at than did younger children; and Ward and Wackman (1972) also pointed out that older children had a stronger influence than younger children in the purchase of relevant foods, less relevant foods, child-durables and toiletries. In other words, based on the previous studies, we could conclude that children’s influence is increase as they grow up.

To sum up, the three variables examined above have all been shown to significantly impact on children’s perceived influence on family purchase decision-making. This research uses the basis of these three factors to test whether cultural assimilation impacts Chinese parent’s perceptions of children’s influence. To better understand the influence of cultural assimilation it is first necessary to understand the cultural differences between New Zealand and China, and then review the literature regarding cultural assimilation.

**The cultural differences between New Zealand and China**

According to Hofstede and Hofstede (2004), the scores of these two countries on three culture dimensions are as presented in Table 1 below.

<table>
<thead>
<tr>
<th>Culture dimension</th>
<th>China</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDV (Individualism Index)</td>
<td>20</td>
<td>79</td>
</tr>
<tr>
<td>UAI (Uncertainty Avoidance Index)</td>
<td>30</td>
<td>49</td>
</tr>
<tr>
<td>PDI (Power Distance Index)</td>
<td>80</td>
<td>22</td>
</tr>
</tbody>
</table>

Hofstede’s (1993, p.89) definition of Individualism (IDV) is, the “…degree to which people in a country prefer to act as individuals rather than as members of groups”. From the index of individualism, China scored 20 points, which is much lower than New Zealand. This indicates that individual initiative is more strongly discouraged in China than in New Zealand, and that the Chinese culture places more emphases on the group than on the individual. Therefore, children in New Zealand more actively make individual decisions, with their parents more likely to respect these individual decisions. On the other hand, children in China are expected to have more faith in their family, to be more obedient and to follow their parents’, or family’s, decision, and not make individual decisions themselves. Therefore, in regards to this dimension, it can be summarized that children in China are expected to have less influence on family purchase decision-making than children in New Zealand.

Uncertainty avoidance (UAI) is defined as, “…the degree to which people in a country prefer structured over unstructured situations” (Hofstede, 1993, p.90). From the index of uncertainty avoidance, it can be seen that China scored 30 and New Zealand scored 49 points. New Zealand’s higher index of 49 points means that people in this kind of culture do not like change, they avoid risk, and that younger people tend to be suspicious of change (Hofstede, 1980). Therefore, it can be said that New Zealand parents are likely to doubt their children’s ideas and decisions, since they believe that their children are not mature enough to make their own decisions. On the other hand, New Zealand children are likely to strive to avoid conflict with their parents and to seek consensus more than are Chinese children (Shoham and Dalakas, 2003). As a result, children living in New Zealand will be expected to have less influence in family purchase decision-making than will Chinese children.

The definition of Power distance (PDI) is, “…the degree of inequality among people, which the population of a country considers as normal; from relatively equal … to extremely unequal” (Hofstede, 1993, p.89). Based on Hofstede (1993), it can be concluded that New Zealand has a much lower power distance than China. This means that New Zealand parents value their children’s obedience less in comparison to parents in cultures with a high power distance. Therefore, New Zealand parents are more likely to encourage, and be more open to, their children’s involvement in family decision-making. As shown, the index of Power distance (PDI) in New Zealand is 22, which means that children in New Zealand will be more likely to be encouraged to become involved in family decision-making than will children in China. In other words, the parental perception of children’s influence on family purchase decisions in New Zealand is expected to be stronger than for their counterparts living in China.

**Cultural Assimilation**

As previously indicated, there are huge cultural differences between China and New Zealand. This means that Chinese families who immigrate to New Zealand will experience a process of changing their existing cultural values in order to adapt to New Zealand cultural values. This process is called cultural assimilation. The most widely accepted definition of assimilation is from Park and Burgess (1921, p.735):

“Assimilation is a process of inter-penetration and fusion in which persons and groups acquire the memories, sentiments and attitudes of other persons or groups and by sharing their experience and history, are incorporated with them in a common cultural life”.

In this research, the subculture is the Chinese (PRC) families who have immigrated to New Zealand, and the dominant culture is the New Zealand culture. To become more involved in New Zealand society, or to achieve a better lifestyle, or a good career, Chinese immigrants have to assimilate into the New Zealand
culture. During, or after, this process, the cultural values of the Chinese immigrants will change, which means that, to some extent, the Chinese parents’ perceptions of their children’s influence on family purchase decision-making will also change. By reviewing the literature, it is found that there are a few studies regarding the influence of cultural assimilation on parent’s perceptions of their children’s impacts on family purchase decision-making.

Ganesh’s (1997) found that spouses consumer behaviour is significantly different in decision-making stages when compared with Asian-Indians living in India, Asian-Indians living in the US and American nationals. He concluded that, for immigrants, while there are large culture differences between host country and home country, there must be an Americanisation process. Wallendorf and Reilly (1983) found that Mexican-Americans experience a cultural assimilation process toward their internalised conception of American life, and this acculturation could influences their food consumption behavior.

Therefore, it can be seen that changes in cultural background will definitely impact consumer behaviour. Since the cultural differences between China and New Zealand are large, when a Chinese family moves to New Zealand, cultural assimilation is necessary. As a result, parents will develop a different view of their children’s influence on family purchase decision-making, compared with the view of parents living in China.

The review of the literature shows, however, that there are no studies which focus on the influence of cultural assimilation on children’s perceived influence on family purchase decision-making. This is a research gap which the current research intends to fill.

**RESEARCH OBJECTIVES**

The more specific objectives of this study are listed below:

1. To investigate whether parents have the same perceptions of their children’s influence in regards to different products and family purchase decision-making stages in Chinese immigrant families in New Zealand, and Chinese families living in China.

2. To investigate whether parents’ perceptions of children’s influence on family purchase decision-making will have any significant difference as the children grow up in Chinese immigrant families in New Zealand, and in Chinese families living in China.

Based upon above research objectives, following hypotheses have been framed to be tested in this research:

**H1:** Parents in Chinese immigrant families in New Zealand perceive that their children have a significantly different level of influence on family purchases of different products, when compared with the parental perception in Chinese families living in China.

**H2:** Parents in Chinese immigrant families in New Zealand perceive that their children have a higher level of influence on family purchases of different products, when compared with the parental perception in Chinese families living in China.

**H3:** Parents in Chinese immigrant families in New Zealand perceive that their children have a significantly different level of influence on family purchase decision-making stages, when compared with the parental perception in Chinese families living in China.

**H4:** Parents in Chinese immigrant families in New Zealand perceive that their children have a significantly different trend in parents’ perception of the child’s influence on family purchase decisions of different products in Chinese immigrant families in New Zealand, and Chinese families living in China.

**H5:** As a child grows up, there will be a significantly different trend in parents’ perception of the child’s influence on family purchase decision-making stages in Chinese immigrant families in New Zealand, and Chinese families living in China.

**H6:** As a child grows up, there will be a significantly different trend in parents’ perception of the child’s influence on family purchase decision-making stages in Chinese immigrant families in New Zealand, and Chinese families living in China.

**RESEARCH METHODOLOGY**

**Population**

The target population of the research is defined as urban middle-class (defined as having pre-tax income from NZ$2500 monthly to NZ$8333 monthly; as per Barker, 1996), with children’s ages being from thirteen to nineteen years for Chinese immigrant families in the study who have been residing in New Zealand for between two to five years; and urban, middle-class (defined as having pre-tax income from ¥5,000 monthly to ¥41,667 monthly; as per Statistics China, 2005), with children’s ages being from thirteen to nineteen years for the Chinese families residing in China. The reason for choosing this income level is that, these families are more easily to find to collect the data.

In New Zealand the respondents were selected from Auckland, as Auckland has the largest immigrant population in New Zealand. In China, the respondents were from nine different cities. The reason for choosing these respondents is that they are all known to the researcher’s relatives, which increased the ease of finding suitable families for the research.

**Sample Size**

Due to the constraints of time and budget, 260 families (135 families in China and 125 families in New Zealand) were approached for this research. Most of the families in New Zealand are familiar with the researcher; and the families in China are known to the researchers’ relatives. They were also asked to provide referrals of middle-class families with teenage children to the researcher and the researchers’ relatives.

**Questionnaire design**

Questions in the questionnaire were taken from Swinyard and Sim (1987) and Shoham and Dalakas (2005). Questions relating to five family use products and six children use products were included in the questionnaire. Questionnaire was divided into three parts. In the first part, respondents were asked to rate the children’s influence using a five point scale for the eleven products (Foxman et al., 1989a; 1989b). The second part tested the general influence of children on family decision-making stages (Swinyard and Sim, 1987; and Shoham and Dalaka, 2005). The last part included the demographics such as family income and the age of the child.

**Data collection methods**

Snowball sampling was adopted to collect the data. A self-administered questionnaire was developed to collect the data in New Zealand and China. Participant families were known to the researcher and they were asked to provide referrals of other middle-class families with teenage children.

Both parents were asked to complete the questionnaire together, and it took approximately five to ten minutes to complete.
Parents’ Perception of Teen’s Influence on Family Purchase Decisions: A Study of Cultural Assimilation

the questionnaire. All respondents were informed as to the purpose of the research. Approximately 260 potential couples were approached (135 families in China and 125 families in New Zealand). Of the total sample, 100 respondents from each country who matched the criteria (middle-class income family and child’s age 13-19 years) were chosen for the study.

Reliability of questionnaire
The reliability test of the questionnaire showed Cronbach’s Alpha larger than 0.7 which proved the questionnaire has an acceptable level of reliability.

DATA ANALYSIS AND FINDINGS

Sample profile
The demographic information regarding the respondents includes family income and the children’s ages. This is presented in Table 2 in order to describe the characteristics of the sample used in the research.

<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>Respondent profile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographics</strong></td>
<td><strong>Categories</strong></td>
</tr>
<tr>
<td><strong>Family income</strong></td>
<td>$3000-$3999</td>
</tr>
<tr>
<td></td>
<td>$4000-$4999</td>
</tr>
<tr>
<td></td>
<td>More than $5000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Children’s age</strong></td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
</tr>
<tr>
<td><strong>Average child age</strong></td>
<td>15.74</td>
</tr>
</tbody>
</table>

Parents’ perceptions of children’s influence on products
The answers of the parents were analysed across the eleven products (see Table 3). These results indicate that, except for children’s records/CDs, the parental perception of children’s influence has significant difference in the two types of families. For children’s records/CDs, children were perceived as having similar influence in both types of families. The largest difference between the two types of families is in the category of child’s dress clothes. The lowest.

| TABLE 3 | Means of influence ratings on different products by parents |
| --- | --- | --- | --- | --- |
| **Products** | **Chinese immigrant families** | **Chinese families** | **Difference** | **P-value** |
| Child’s record/CD | 3.67 | 3.75 | -0.08 | 0.594 |
| Child’s PC | 3.65 | 3.12 | 0.53 | 0.001 |
| Family PC | 1.99 | 1.66 | 0.33 | 0.015 |
| Groceries | 2.87 | 2.14 | 0.73 | 0.000 |
| Living room furniture | 1.45 | 1.79 | -0.34 | 0.001 |
| Child’s toothpaste | 4.41 | 3.80 | 0.61 | 0.000 |
| Family toothpaste | 1.98 | 1.64 | 0.34 | 0.010 |
| Child’s dress clothes | 4.52 | 3.74 | 0.78 | 0.000 |
| Child’s bicycle | 3.62 | 4.17 | -0.55 | 0.000 |
| Family car | 2.04 | 1.60 | 0.44 | 0.000 |
| Child’s magazine | 4.91 | 4.33 | 0.58 | 0.000 |
| Average influence | 3.19 | 2.89 | 0.30 | 0.000 |

Notes: Scale anchors were 1= decision solely by parents and 5= decision solely by child.

Regarding the parents’ perceptions of children’s influence, those of Chinese immigrant families living in New Zealand exceeded those of Chinese families in eight out of the eleven products. With the exception of child’s bicycle, child’s record/CD and living room furniture, teens in Chinese immigrant families were all perceived as having a higher level of influence than their peers in Chinese families living in China. The largest difference between the two types of families is in the category of child’s dress clothes. The lowest
difference relates to child’s record/CD. On the other hand, for those three product categories it was perceived that children in Chinese families had a higher level of influence than children in Chinese immigrant families. The largest difference of the three products was for the child’s bicycle. Overall children in Chinese immigrant families were perceived as having a higher level of influence than children in Chinese families. Therefore, Hypothesis 1 and Hypothesis 2 are both supported, in that parents in Chinese immigrant families in New Zealand perceive that their children have significantly different and higher levels of influence on family purchasing of different products, when compared with the parents in the Chinese families in China.

Parents’ perceptions of children’s influence on decision-making stages

Table 4 presents the means of children’s influence across the decision-making stages in both types of families. From the result, the overall means of the influence showed that children in Chinese immigrant families were perceived as having higher influence than their peers in Chinese families living in China but this mean difference is not significant. Thus, Hypothesis 3 was not supported. On the other hand, even though no overall significant difference is found, the higher average children’s influence in Chinese immigrant families indicates that children in Chinese immigrant families were perceived as having higher levels of influence during family decision-making stages than their peers in Chinese families. Therefore, Hypothesis 4 is supported.

<table>
<thead>
<tr>
<th>Decision-making stages</th>
<th>Chinese immigrant families</th>
<th>Chinese families</th>
<th>Difference</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices family needs (stage one)</td>
<td>2.42</td>
<td>2.63</td>
<td>-0.21</td>
<td>0.100</td>
</tr>
<tr>
<td>Search information (stage two)</td>
<td>2.40</td>
<td>2.76</td>
<td>-0.36</td>
<td>0.004</td>
</tr>
<tr>
<td>Makes final choice (stage three)</td>
<td>3.07</td>
<td>3.19</td>
<td>-0.12</td>
<td>0.289</td>
</tr>
<tr>
<td>Makes purchase (stage four)</td>
<td>3.45</td>
<td>3.19</td>
<td>0.26</td>
<td>0.020</td>
</tr>
<tr>
<td>Overall influence</td>
<td>2.84</td>
<td>2.94</td>
<td>-0.10</td>
<td>0.246</td>
</tr>
</tbody>
</table>

**Notes:** Scale anchors were 1 = strongly agree that child has influence and 5 = strongly disagree that child has influence.

**Influence of children’s age on products and decision-making stages.**

From Table 5, regarding product types, all the product coefficients in Chinese immigrant families are positive and significant whereas in Chinese families 3 coefficients are negative and 6 coefficients are not significant at 95% significant levels. This means that the relationship between children’s age and the eleven products are positive or, put differently, the children’s influence will increase as the children’s ages increase. On the other hand, for the Chinese families, three products have negative coefficients (groceries, child’s toothpaste and family toothpaste), which means that, for these three products, the children’s influence will decrease as they become older. These results show that parents of these two families perceive that as children grow, they have different influence on products in two family types. Thus Hypothesis 5 is supported.

Regarding decision-making stages, all 4 coefficients of the decision-making stages of Chinese immigrant families are negative and significant whereas for Chinese families they are all positive but only one is significant. It indicates the children’s influence in Chinese immigrant families decreases as children grow. On the other hand, in Chinese families the influence of children on family purchase decision increases as they grow older. These results indicate that parents do have different perceptions of children’s influence in Chinese immigrant families and in Chinese families living in China. Therefore, Hypothesis 6 is supported.

**TABLE 5**

The GLM of children’s age influence on products and decision-making stages in both types of family.

<table>
<thead>
<tr>
<th>Products</th>
<th>Chinese immigrant families</th>
<th>Chinese families</th>
<th>Difference</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coefficient</td>
<td>F</td>
<td>P</td>
<td>Coefficient</td>
<td>F</td>
</tr>
<tr>
<td>Music records/CD</td>
<td>0.200</td>
<td>19.824</td>
<td>0.000</td>
<td>0.120</td>
</tr>
<tr>
<td>Child’s PC</td>
<td>0.260</td>
<td>35.170</td>
<td>0.000</td>
<td>0.160</td>
</tr>
<tr>
<td>Family’s PC</td>
<td>0.160</td>
<td>9.491</td>
<td>0.003</td>
<td>0.100</td>
</tr>
<tr>
<td>Groceries</td>
<td>0.100</td>
<td>13.710</td>
<td>0.000</td>
<td>-0.020</td>
</tr>
<tr>
<td>Living room furniture</td>
<td>0.090</td>
<td>7.343</td>
<td>0.008</td>
<td>0.040</td>
</tr>
<tr>
<td>Child’s Toothpaste</td>
<td>0.170</td>
<td>32.539</td>
<td>0.000</td>
<td>-0.110</td>
</tr>
<tr>
<td>Family’s Toothpaste</td>
<td>0.150</td>
<td>32.539</td>
<td>0.000</td>
<td>-0.060</td>
</tr>
<tr>
<td>Child’s clothes</td>
<td>0.160</td>
<td>30.689</td>
<td>0.000</td>
<td>0.170</td>
</tr>
<tr>
<td>Child’s bicycle</td>
<td>0.210</td>
<td>25.987</td>
<td>0.000</td>
<td>0.070</td>
</tr>
<tr>
<td>Family’s Car</td>
<td>0.120</td>
<td>10.448</td>
<td>0.002</td>
<td>0.070</td>
</tr>
<tr>
<td>Child’s magazines</td>
<td>0.090</td>
<td>9.549</td>
<td>0.003</td>
<td>0.050</td>
</tr>
</tbody>
</table>

**TABLE 4**

Means of influence ratings on decision-making stages by parents.

<table>
<thead>
<tr>
<th>Decision-making stages</th>
<th>Chinese immigrant families</th>
<th>Chinese families</th>
<th>Difference</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices family needs (stage one)</td>
<td>2.42</td>
<td>2.63</td>
<td>-0.21</td>
<td>0.100</td>
</tr>
<tr>
<td>Search information (stage two)</td>
<td>2.40</td>
<td>2.76</td>
<td>-0.36</td>
<td>0.004</td>
</tr>
<tr>
<td>Makes final choice (stage three)</td>
<td>3.07</td>
<td>3.19</td>
<td>-0.12</td>
<td>0.289</td>
</tr>
<tr>
<td>Makes purchase (stage four)</td>
<td>3.45</td>
<td>3.19</td>
<td>0.26</td>
<td>0.020</td>
</tr>
<tr>
<td>Overall influence</td>
<td>2.84</td>
<td>2.94</td>
<td>-0.10</td>
<td>0.246</td>
</tr>
</tbody>
</table>
CONCLUSIONS AND IMPLICATIONS

Conclusions
This research has proved that parents under different cultural backgrounds do have different perceptions of children’s influence on family purchase decision-making. When parents immigrate to New Zealand, their social values and purchase perceptions change in comparison to their counterparts living in China. Chinese immigrant parents adapt to New Zealand culture, which means that they more likely to give increased rights and power to their children to attend to family purchase decision-making. This is a result of cultural assimilation. The specific results were evidenced across eleven products and four decision making stages, with children in Chinese immigrant families being perceived by parents to have a higher average influence than their peers in Chinese families living in China. Parents in Chinese immigrant families are more open, and encourage children to attend to family decision-making more than do parents in Chinese families living in China. The high Individualistic (IDV) and low Power Distance (PDI) culture leads Chinese immigrant parents in New Zealand to be more likely to trust and listen to their children, than are the parents under high Collectivism (IDV) and high Power Distance (PDI) cultures in China.

This research also found that parents believed that children’s influence across three products (family’s and children’s toothpaste, and groceries) and the first three decision-making stages (noticing family needs, searching information and making final choice) will decrease as children’s age increases in Chinese families, with no increase or decrease trend in stage four (making purchase from store). On the other hand, in Chinese immigrant families, for all eleven products and four decision-making stages, parents perceive that children’s influence increases as they grow up. Again, the influence of cultural assimilation was also proved by this result. Even though children from both types of families grow up and face more pressure from study, Chinese immigrant parents give their children more power to attend to family purchase decision-making than do Chinese parents in China. This is due to the adaptation to more Individualistic (IDV) and low Power Distance (PDI) cultural values in New Zealand.

To sum up, 5 hypotheses, out of 6, have been supported by this research, with the finding that cultural assimilation influences parents’ perceptions of children’s influence on family purchase decision-making.

Implications
The findings of this research have some implications for marketing practitioners. For example, it was found that teenagers in Chinese immigrant families in New Zealand are perceived by their parents to have higher levels of influence in family purchase decision-making than are teenagers in Chinese families living in China. This means that the former group of teenagers have more power to influence their parents’ decision. Therefore, marketing practitioners could use specific advertising and other promotion marketing strategies to attract the attention of these teenagers to products and services, as it is an effective way to reach the Chinese immigrant families market. Similarly, Chinese immigrant families in New Zealand, or in other countries with highly Individualistic and low Power Distance cultures, develop different cultural values to their counterparts in China. Therefore, marketers could use more Western promotional methods to reach this market segment.

Furthermore, this research has also proved that children do have an influence on family decision-making and that they have more influence in terms of child-products, for which they are the primary users. Therefore, marketing practitioners can use the findings of this research in determining that they should appeal to children as much as to their parents. Marketers could improve, or create, the direct relevance between their products/services and teens, which will make the products/services become more like a child-product/service (not just being relevant to the family, or being parents-products/services) in order to increase children’s involvement.

The research also found that children’s age would significantly influence children’s influence on family decision-making, especially in Chinese immigrant families. Therefore, marketers should target children as they grow, in order to effectively influence family purchase decision-making. For example, marketers could advertise, or promote, products/services targeting late teen children.

CONTRIBUTION OF THIS RESEARCH
The main contribution of this research is the finding that cultural assimilation does have an influence on parents’ perceptions of children’s influence. This research fills a gap in the existing literature as there is no research that focused to investigate the impact of cultural assimilation on children’s influence on family purchase decision making.

The influence of cultural assimilation was reflected from two aspects. One aspect is that parents in Chinese immigrant families are influenced by New Zealand’s culture, and they perceive that their children have more influence on family purchase decision-making than their counterparts in Chinese families living in China. The second aspect is that there are some significant differences in parents’ perceptions of children’s influence as children grow. This finding holds true for both types of families.

LIMITATIONS AND FUTURE RESEARCH
The primary limitation of this research is the fact the Chinese immigrant families sample has only been chosen from Auckland, which might not accurately represent the whole Chinese immigrant population in New Zealand. Similarly, even though the Chinese families sample was drawn from nine different cities in China, because China is such a large country, the sample might still not accurately represent Chinese parents’ perceptions of children’s influence. So further research should focus on wider selection of cities from both countries.

Secondly, a snowball sampling method was used to gather the data, meaning that most families in the sample were recommended by others in the sample. This means that the sample used in this research may produce results which are difficult to generalise to the Chinese immigrant population in New Zealand and the Chinese population in China. So an attempt should be made to use random sample, if possible, from both countries.

Lastly, the research focused on middle-class families with children aged from thirteen to nineteen. A sample including families with other income levels and/or families with younger children might produce different perceptions of culture assimilation. So future research should target different income levels and age groups.

REFERENCES:


MOOD BEHAVIOR ON VACATIONS

Abstract

Vacation represents the nicest days of the year. Tour operators are well advised to provide a good vacation mood. The behavior of this mood was examined in a broad study and the existence of various behavior forms proven. The mood varies with the duration of the vacation and the guests themselves. Personality traits, motives and other factors influence the mood behavior. Effects of mood behavior include satisfaction and the willingness to recommend the club. However, the manifested satisfaction also depends upon the mood at the time of the satisfaction survey. Therefore, possible mood bias should also be monitored in mood research.

INTRODUCTION

For many people, vacation represents the nicest days or weeks of the year. Consequently, not only do correspondingly high expectations exist but also an interest in the success of the vacation. Tour operators also want to take this interest into account and ensure that their guests have a good vacation. This occurs in the assumption that ultimately satisfaction with the vacation and the willingness to book the same club or the operator’s similar clubs again arises from positive emotional experiences. Satisfied guests also pass their good mood on to others and perform word-of-mouth advertising, which supports the operator’s acquisition.

As several studies show, emotions, mood and satisfaction are connected (Bagozzi et al. 1999). We also know that the vacation mood improves with positive emotions and that vacation satisfaction increases with the vacation mood (Bigné et al. 2005). Mood research offers an explanation for this by showing that mood works like a filter: a positive mood promotes the perception, memory and processing of positive contents whereas a negative mood encourages the perception, memory and processing of negative contents (Isen and Shalker 1982; Isen 1987; Schwarz 1990; Bower 1991; Schwarz and Bless 1991; Silberer and Jaekel 1996; Bagozzi et al. 1999; Roth 2000; Sirakaya et al. 2004).

However, mood and vacation research cannot provide information on the behavior or the dynamics of the mood during the vacation (Bagozzi et al. 1999; Lee et al. 2005). For this reason, we are interested in the behavior of the mood in club vacationers and its ramifications and comment on a broad study in which the feasibility of mood tracking is to be examined simultaneously.

There are good reasons for our distinct lack of knowledge on mood behavior on vacation. Firstly, it can be put down to the fact that mood tracking in vacation guests requires considerable effort and, secondly, that such an intention also meets certain problems of acceptance. It is not exactly in the interests of the guests to be approached and interviewed repeatedly by researchers on vacation or keep a diary in which their mood has to be recorded regularly and at particular times. Despite this unfavorable starting position, we attempted to convince a tour operator and obtain permission to carry out a mood tracking of the club vacationers. As it turned out, the tour operator supported us wholeheartedly.

We will differentiate the mood from emotions below, in the knowledge that moods result from and are supported by emotions. Here, Moods stand for undirected affective conditions which can be characterized through the valence “good” and “bad” and the gradation of these characteristics (from very good to very bad) (Frijda 1993; Silberer and Jaekel 1996). In contrast, Emotions stand for conditions which can be attributed to a particular cause or home in on something, i.e. directed conditions (Bagozzi et al. 1999). This differentiation is also signified in everyday speech. There, someone is not said to be disposed through, to or against something but rather in a good or bad mood. In the case of emotions, the cause attribution or justification is typical. This is illustrated by examples, such as “be annoyed with...”, “be proud of...”, “be happy about...” and “be worried about...”.

EXPECTATIONS OF MOOD BEHAVIOR ON CLUB VACATIONS

If we develop expectations of the mood behavior on club vacations here, we can fall back on research on mood causes and use the assumptions and results concerning this as a background. Therefore, we recall various important results of mood research before developing concrete expectations of mood behavior on vacation.

Several authors assume that mood results from emotions or emotion sequences. Emotions can change into a mood, which we have to understand as a generalized affective state (Sirakaya et al. 2004; Morris 1989). The mood resulting from a sequence of emotions has the same valence as the majority of the preceding emotions (Diener and Iran-Nejad 1986). Mood causes are thus any facts which trigger and guide emotions (as mood causes). Such triggers are personal dispositions on the one hand and environment-related facts on the other (Kahneman et al. 2004).

As far as the personal mood determinants are concerned, by looking back on personality theories we can assume that temperament, intellect and psyche of a person has an effect upon their mood (Häcker 1994). For example, extraversion and the dispositions attributed to it, such as sociability and activity, favor positive feelings and a good mood (Costa and McCrae 1980). In addition, the surrounding conditions also have an effect upon the mood. For example, a good mood is to be expected in good weather (Schwarz and Clore 1983), but also from generous architecture and the cozy and light design of the premises (Schwarz 1990). Mood is also influenced by the social surroundings. For example, it turns out that married people report a better well-being compared to unmarried, widowed or single people (Diener and Larsen 1993; Lawton et al. 1984). The effect the combination of person and situation can have is evident among other things in that the opportunities for personal development and self-realization, as well as the ability to overcome external demands, also contribute to a good mood (Arnould and Price 1993; Nezlek and Plesko 2003).

As far as the mood on vacation is concerned, all mood determinants are presumably significant: the emotions triggered on vacation, the personality, stimulating and pleasant surroundings, both resorts and rooms, entertainments programs and much more. The kind of vacation and subsequent expectations and demands are also significant, e.g. the expectations for a relaxation vacation, adventure vacation or club vacation. An
operator’s services, e.g. the information service, room service and catering, should also be taken into account.

Based on this line of thought, initial expectations can by all means be developed for mood behavior on vacation. Under stress aspects, we can assume that the period leading up to the vacation is associated more with strenuous experiences than the feeling of excitement (Derbaix and Pham 1991; Gilbert and Abdullah 2004): work-related tasks still having to be carried out, suitcases packed, travel documents gathered etc. In the case of long-distance travel, the first few days may be anything but relaxing as the body has to adapt to unfamiliar climatic conditions. Once recuperated, the positive aspects can prevail, for example relaxation, social contacts, good food. The mood curve subsequently rises and peaks towards the end of the vacation. Towards the end, new stress factors can arise and cause a lull in the mood: thoughts of going home, annoyance at having to pack but also the prospect of the not-so-nice daily routine with its all-too-familiar stress and inconveniences. All this suggests a change in mood towards or at the end of the vacation.

If small challenges do not develop into stress factors at all and recede behind the positive mood determinants, the mood behavior presumably looks very different. A friendly reception on location, beautiful landscapes, pleasant social contacts, good food and the pleasant climate, and many other gratifying things—then why not a permanent mood increase from the beginning to the end of the vacation, culminating in the lasting and deeply gratifying realization that the vacation can be regarded as the nicest days and weeks of the year.

Dubé and Morgan (1998) outline consistently positive behavior for the emotional sensitivities during a hospital stay which indeed is characterized by decreasing mood progressivity. They postulate a saturation point. This can be transferred to mood behavior on vacation if the maximum enthusiasm is taken as the saturation point. If Dubé and Morgan (1998) do not contemplate a deterioration of the mood towards the end of the vacation, this can probably be put down to the fact that the patients treated more often look forward to going home than vacationers. Incidentally, we should not exclude the fact that hospital sojourns are also associated with very different mood behavior and agree with the authors Dubé & Morgan (1998) when they indicate the significance of the illness behavior for emotional development.

We also should not exclude a consistently negative development of the mood behavior. For example, this could be expected if disappointments and stress dominate from the outset or alternate regularly. Maybe there are health problems which deteriorate or the operator does not live up to its promises, even in spite of repeated complaints. The mood at the end is then low with the realization that the vacation has to be checked off as an unsuccessful yet expensive adventure.

To sum up, even if we cannot address all conceivable variants of mood behavior on vacation here, the variety of possible dispositions and influences on site, realistic and unrealistic expectations and the opportunity to experience far more than originally hoped speak against a standard vacation mood behavior and in favor of a variety in the behavior of the vacation mood. We assume that the mood behavior is configured differently, even for vacationers who have booked the same vacation and spend it at the same location at the same time (Coghlan 2005). Against this background, we began a study to examine the mood behavior of club vacationers and, at least to some extent, determine its ramifications.

### A STUDY ON MOOD BEHAVIOR ON A CLUB VACATION

#### Design of the Study

In order to record the mood behavior on a club vacation, two club resorts on one of the Canary Islands were chosen in agreement with the operators. Both of the resorts have comparable beaches and identical weather but differ in terms of buildings and facilities and the target groups. The data was recorded in both club resorts in the fall season. A diary for the measurement of the mood path was placed in the guests rooms on the day of arrival (Cranford et al. 2006 for the sensitivity of mood measures in diary studies to within-person change). The guests were asked in the form of a letter to record their current mood every morning, noon and evening on a single item (item was similar to Coghlan 2005). A written questionnaire was announced simultaneously. Two days prior to their departure, the guests were issued with final questionnaires in their rooms, once again with a letter and an indication that they could win an attractive prize. The final survey served to record the mood causes and mood effects, as well as details regarding the person. Of approx. 3,000 guests who arrived on three arrival days per week during the period of data collection, 750 completed diaries and final questionnaires were returned.

#### Mood Behavior on Vacations of Different Durations

An initial comparison of mood behavior orients itself around the duration of the vacation (Decrop and Snelders 2004; Gokovali et al. 2007). Four variants on the vacation duration could be identified: 7, 10, 12, and 14 days. For reasons of space, we will comment on the results of three variants, namely the mood behavior in the case of 7-day, 10-day and 14-day vacationers.

The mood behavior is represented in figure 1 by way of the average mood values for each day. Mood values for the arrival and departure days were not considered because only a proportion of the vacationers were able to make all three entries (morning, noon and evening) in the diary. As figure 1 illustrates, all three variations are characterized by a mood improvement in the first six days of the vacation – barring the deterioration between the first and second day. From the sixth day, the behavior is very different – improvements and deteriorations alternating almost continuously. In the one-week segment, fewer augmentations are evident in the second half of the week and only very seldom in the first week of the other two segments. We can also ascertain that there is a mood peak in the 10-day segment and two mood peaks in the 14-day segment. Furthermore, we can confirm that the level of the mood at the end of the vacation lies above that at the beginning of the vacation in all three segments.

Based on our written survey at the end of the vacation, the three segments can be tested for differences. We will carry out this test in two steps – firstly, using characteristics which already exist at the beginning of the vacation (see Table 1) and then using indications which refer to the vacation itself (see Table 2).
As far as socio-demographic characteristics and mood type are concerned, the three segments do not differ. Differences in people-related characteristics primarily affect the vacation motives, vacation-related settings, experience of the club vacation and companionship. The 7-day vacationers are relatively often on a club vacation for the first time and are often unaccompanied. The 10-day vacationers were the most likely to have already been to the club examined. They expect more sociability than the others but fewer cultural programs and nature. They are most likely to be enthusiastic but also diligent club vacationers and appreciate that there is “always a good atmosphere” in a club the most. The typical two-week vacationer is often accompanied and displays more widely-spread interests in that they attach a relatively high level of importance to culture and experiencing nature. Many of them have previously booked the club once. The comparison of the three segments with regard to vacation-related characteristics also reveals differences. These affect life in the club and the end of the vacation and the willingness to recommend the club and book it again.

### TABLE 1

People-Related Characteristics of the Guests on Vacations of Different Durations

<table>
<thead>
<tr>
<th></th>
<th>7-Day Vacation</th>
<th>10-Day Vacation</th>
<th>14-Day Vacation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sociodemography</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age (Modus)</td>
<td>41-50</td>
<td>41-50</td>
<td>31-40</td>
</tr>
<tr>
<td>Proportion of Women</td>
<td>60.8 %</td>
<td>54.3 %</td>
<td>55.6 %</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>27.9 %</td>
<td>Single</td>
<td>30.8 %</td>
</tr>
<tr>
<td>Married</td>
<td>63.8 %</td>
<td>Married</td>
<td>60.4 %</td>
</tr>
<tr>
<td>Divorced</td>
<td>7.1 %</td>
<td>Divorced</td>
<td>7.7 %</td>
</tr>
<tr>
<td>Household Size</td>
<td>$M = 3.0 (1.4)$</td>
<td>$M = 2.9 (1.3)$</td>
<td>$M = 2.8 (1.4)$</td>
</tr>
<tr>
<td>HH Income (Modus)</td>
<td>&gt; 5,000 EUR</td>
<td>&gt; 5,000 EUR</td>
<td>&gt; 5,000 EUR</td>
</tr>
</tbody>
</table>
**Vacation Motive**

<table>
<thead>
<tr>
<th>Motive</th>
<th>M = 5.1 (1.6)</th>
<th>M = 5.6 (1.5)</th>
<th>M = 5.2 (1.4)</th>
<th>F (2, 510) = 3.93 *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companionship</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience Culture</td>
<td>M = 4.6 (1.7)</td>
<td>M = 4.1 (1.9)</td>
<td>M = 4.5 (1.7)</td>
<td>F (2, 510) = 3.19 *</td>
</tr>
<tr>
<td>Enjoy Nature</td>
<td>M = 5.4 (1.5)</td>
<td>M = 5.0 (1.8)</td>
<td>M = 5.3 (1.5)</td>
<td>F (2, 510) = 3.38 *</td>
</tr>
</tbody>
</table>

**Attitude towards Club Vacations**

<table>
<thead>
<tr>
<th>Attitude</th>
<th>M = 4.5 (1.9)</th>
<th>M = 5.2 (1.7)</th>
<th>M = 4.8 (1.8)</th>
<th>F (2, 508) = 5.28 **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enthusiastic Club Vacationer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always Good Atmosphere in Club</td>
<td>M = 4.8 (1.5)</td>
<td>M = 5.3 (1.3)</td>
<td>M = 4.8 (1.4)</td>
<td>F (2, 503) = 4.96 **</td>
</tr>
</tbody>
</table>

**Experience of Club Vacations i. A.**

1. Club vacation
   22.6 % 9.8 % 14.6 % \( \chi^2 (6) = 20.4 ** \)
2. Club vacation
   12.6 % 10.9 % 16.3 %
3. Club vacation
   10.5 % 5.4 % 15.7 %
4. > Club vacation
   54.4 % 73.9 % 53.4 %

**Experience of this Club**

<table>
<thead>
<tr>
<th>Experience of this Club</th>
<th>Club already visited</th>
<th>Club already visited</th>
<th>Club already visited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaccompanied during this Vacation</td>
<td>13.8 % 7.6 % 3.9 % ( \chi^2 (20) = 40.2 ** )</td>
<td></td>
<td></td>
</tr>
<tr>
<td>with children</td>
<td>39.6 % 46.7 % 41.6 % NS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Mood Types**

<table>
<thead>
<tr>
<th>Mood Type</th>
<th>M = 5.5 (1.2)</th>
<th>M = 5.6 (1.1)</th>
<th>M = 5.4 (1.1)</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happy person</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Content with life</td>
<td>M = 5.6 (1.2)</td>
<td>M = 5.7 (1.0)</td>
<td>M = 5.6 (1.1)</td>
<td>NS</td>
</tr>
<tr>
<td>Stable mood</td>
<td>M = 3.7 (1.8)</td>
<td>M = 4.2 (1.9)</td>
<td>M = 3.8 (1.8)</td>
<td>NS</td>
</tr>
<tr>
<td>Mood changes during the week</td>
<td>M = 3.9 (1.9)</td>
<td>M = 3.8 (2.0)</td>
<td>M = 3.8 (1.9)</td>
<td>NS</td>
</tr>
</tbody>
</table>

SD in brackets; * / ** / *** = p < .05 / .01 / .001; NS = not significant

**TAB. 2**

Vacation-Related Answers of the Guests on Vacations of Different Durations

<table>
<thead>
<tr>
<th></th>
<th>7-Day Vacation</th>
<th>10-Day Vacation</th>
<th>14-Day Vacation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mood on Arrival Day</td>
<td>M = 5.2 (1.4)</td>
<td>M = 5.3 (1.4)</td>
<td>M = 5.4 (1.3)</td>
</tr>
<tr>
<td>Smooth Arrival</td>
<td>M = 5.4 (1.7)</td>
<td>M = 5.3 (1.9)</td>
<td>M = 5.4 (1.8)</td>
</tr>
</tbody>
</table>

**Life in the Club**

<table>
<thead>
<tr>
<th>Life in the Club</th>
<th>M = 5.9 (1.2)</th>
<th>M = 6.2 (1.0)</th>
<th>M = 6.2 (1.0)</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid Adaptation</td>
<td>M = 5.1 (1.6)</td>
<td>M = 5.6 (1.5)</td>
<td>M = 5.5 (1.3)</td>
<td>F (2, 507) = 5.42 **</td>
</tr>
<tr>
<td>Make Contact Easily</td>
<td>M = 4.6 (1.5)</td>
<td>M = 5.1 (1.6)</td>
<td>M = 4.8 (1.5)</td>
<td>F (2, 505) = 4.13 *</td>
</tr>
<tr>
<td>Vacationers with Similar Interests</td>
<td>M = 5.8 (1.4)</td>
<td>M = 5.9 (1.2)</td>
<td>M = 6.0 (1.3)</td>
<td>NS</td>
</tr>
<tr>
<td>Overview of the Offer</td>
<td>M = 5.8 (1.4)</td>
<td>M = 5.9 (1.2)</td>
<td>M = 6.0 (1.3)</td>
<td>NS</td>
</tr>
<tr>
<td>Boredom</td>
<td>M = 1.8 (1.5)</td>
<td>M = 1.6 (1.2)</td>
<td>M = 1.7 (1.3)</td>
<td>NS</td>
</tr>
</tbody>
</table>

**Feelings during the Vacation**

| Feelings during the Vacation | M = 2.1 (1.5) | M = 2.0 (1.5)   | M = 2.1 (1.4)   | NS |
| Disappointment             | M = 2.3 (1.6) | M = 2.7 (1.8)   | F (2, 504) = 5.68 ** |
| Enjoyment                 | M = 5.6 (1.2) | M = 5.5 (1.3)   | NS             |

**End of the Vacation**

| End of the Vacation       | M = 5.2 (1.7) | M = 4.9 (1.9)   | M = 4.6 (1.9)   | F (2, 503) = 6.77 ** |
| Regrets end of Vacation   | M = 5.6 (1.5) | M = 5.9 (1.5)   | F (2, 503) = 3.05 * |
| Recommend club            | M = 5.6 (1.8) | M = 6.3 (1.2)   | M = 6.0 (1.4)   | F (2, 506) = 8.82 *** |

**Satisfaction with the Club and Vacation**

| Satisfaction with the Club and Vacation | M = 5.7 (1.4) | M = 5.9 (1.2) | M = 5.6 (1.4) | NS |
| Satisfied with staff           | M = 5.9 (1.1) | M = 6.0 (1.1) | M = 5.9 (1.0) | NS |
| Satisfied with vacation        | M = 6.1 (0.9) | M = 6.2 (0.8) | M = 6.1 (1.0) | NS |

SD in brackets; * / ** / *** = p < .05 / .01 / .001; NS = not significant
Mood Behavior on Vacations of the Same Duration

If we consider the mood behavior within the three segments more closely, a considerable variation is evident. Consequently, it raises the question as to which behavior patterns are concealed behind this diversification. The search for such patterns using hierarchical cluster analyses, which were carried out for each of the three segments on the basis of the average moods on the individual vacation days, led to the determination of three mood behavior patterns in each of the three segments. The behavior was denoted by way of the values of the average daily moods calculated for the individual clusters (see figure 2). There is a mood behavior cluster with a slight rise in mood at a high level in all three segments.

FIGURE 2
Mood Behavior Clusters in Segments with Vacations of Different Durations

As far as the more detailed description of the mood behavior cluster is concerned, a selection has to be made here for reasons of space. We have singled out the segment of the 10-day vacationers and will describe the behavior cluster identified there in more detail by way of the survey results. The descriptors which were recorded in the survey and raised here were selected against the backdrop of the mood determinants addressed in mood research. Firstly, let us consider the results of the cluster comparison using person-oriented (see Table 3) and then vacation-oriented characteristics (see Table 4).

Cluster 1 (mood consistency at a high level, see fig. 2) distinguishes itself amongst other things through the following characteristics: above-average sociability, optimism, spirit of adventure and confidence, strong characteristic of any vacation motive which the club vacation is supposed to fulfill; above-average experience with the club visited; often accompanied, also on vacation with the children, large proportion of positive mood types; good mood on the arrival day, settle in rapidly, make contacts easily and equal to the challenges in the classes. Not surprisingly, the assessments of the club and the vacation as a whole are better than in the other clusters.
TABLE 3
Person-Oriented Characteristics of the 10-Day Guests in the Three Behavior Clusters

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>n</strong></td>
<td>18 (25.7%)</td>
<td>36 (51.4%)</td>
<td>16 (22.9%)</td>
<td>NS</td>
</tr>
</tbody>
</table>

**Sociodemography**

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (Modus)</td>
<td>41-50</td>
<td>41-50</td>
<td>31-40</td>
<td>NS</td>
</tr>
<tr>
<td>Proportion of women</td>
<td>55.6 %</td>
<td>58.3 %</td>
<td>56.3 %</td>
<td>NS</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>27.9 %</td>
<td>30.8 %</td>
<td>22.5 %</td>
<td>NS</td>
</tr>
<tr>
<td>Married</td>
<td>63.8 %</td>
<td>60.4 %</td>
<td>65.7 %</td>
<td>NS</td>
</tr>
<tr>
<td>Divorced</td>
<td>7.1 %</td>
<td>7.7 %</td>
<td>6.7 %</td>
<td>NS</td>
</tr>
<tr>
<td>Size of household</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 2.8 (1.2)</td>
<td>M = 3.0 (1.3)</td>
<td>M = 2.4 (1.4)</td>
<td>NS</td>
<td></td>
</tr>
<tr>
<td>Net HH income (Modus)</td>
<td>&gt; 5.000 EUR (57.1 %)</td>
<td>&gt; 5.000 EUR (41.9 %)</td>
<td>2.500-3.000 EUR (26.7 %)</td>
<td>$\chi^2 (16) = 26.8^*$</td>
</tr>
</tbody>
</table>

**Personality**

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sociable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.5 (0.6)</td>
<td>M = 5.6 (1.7)</td>
<td>M = 5.3 (1.2)</td>
<td>F (2, 67) = 3.84 *</td>
<td></td>
</tr>
<tr>
<td>Optimistic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.3 (0.8)</td>
<td>M = 5.9 (0.9)</td>
<td>M = 5.1 (1.7)</td>
<td>F (2, 66) = 5.62 **</td>
<td></td>
</tr>
<tr>
<td>Adventurous</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 5.2 (1.9)</td>
<td>M = 4.0 (1.8)</td>
<td>M = 3.9 (1.4)</td>
<td>F (2, 67) = 3.65 *</td>
<td></td>
</tr>
<tr>
<td>Confident</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.3 (0.7)</td>
<td>M = 5.5 (1.3)</td>
<td>M = 4.9 (1.5)</td>
<td>F (2, 66) = 6.37 **</td>
<td></td>
</tr>
</tbody>
</table>

**Vacation Motives**

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gather strength</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.7 (0.5)</td>
<td>M = 6.3 (1.3)</td>
<td>M = 6.4 (1.0)</td>
<td>F (2, 67) = 7.52 *</td>
<td></td>
</tr>
<tr>
<td>Have fun</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.6 (0.6)</td>
<td>M = 5.7 (1.4)</td>
<td>M = 5.1 (1.7)</td>
<td>F (2, 67) = 5.34 **</td>
<td></td>
</tr>
<tr>
<td>Spend time together</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.7 (0.5)</td>
<td>M = 6.3 (1.0)</td>
<td>M = 5.6 (1.2)</td>
<td>F (2, 65) = 6.06 **</td>
<td></td>
</tr>
<tr>
<td>Experience culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 5.0 (1.8)</td>
<td>M = 3.9 (1.9)</td>
<td>M = 3.3 (1.8)</td>
<td>F (2, 67) = 3.99 *</td>
<td></td>
</tr>
<tr>
<td>Enjoy nature</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 5.5 (1.9)</td>
<td>M = 5.8 (1.1)</td>
<td>M = 4.3 (2.0)</td>
<td>F (2, 67) = 3.45 *</td>
<td></td>
</tr>
<tr>
<td>Do sports</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 5.4 (1.5)</td>
<td>M = 5.0 (1.8)</td>
<td>M = 5.3 (1.5)</td>
<td>F (2, 67) = 5.02 **</td>
<td></td>
</tr>
</tbody>
</table>

**Experience with this Club**

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Club already visited</td>
<td>72.2 %</td>
<td>63.9 %</td>
<td>50.0 %</td>
<td>NS</td>
</tr>
</tbody>
</table>

**Companionship on this Vacation**

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaccompanied</td>
<td>0 %</td>
<td>5.6 %</td>
<td>18.8 %</td>
<td>NS</td>
</tr>
<tr>
<td>With children</td>
<td>50.0 %</td>
<td>52.8 %</td>
<td>25.0 %</td>
<td>$F(2, 6) = 13.3^* $</td>
</tr>
</tbody>
</table>

**Mood Types**

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
<th>NS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Happy person</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.3 (0.8)</td>
<td>M = 5.7 (1.2)</td>
<td>M = 5.1 (1.1)</td>
<td>F (2, 67) = 5.06 *</td>
<td></td>
</tr>
<tr>
<td>Satisfied with life</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 6.2 (0.7)</td>
<td>M = 5.6 (1.1)</td>
<td>M = 5.3 (1.2)</td>
<td>F (2, 67) = 3.30 *</td>
<td></td>
</tr>
<tr>
<td>Unstable mood</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>M = 2.3 (1.4)</td>
<td>M = 3.2 (1.7)</td>
<td>M = 4.0 (2.1)</td>
<td>F (2, 67) = 4.26 *</td>
<td></td>
</tr>
</tbody>
</table>

SD in brackets; * / ** / *** = $p < .05 / .01 / .001$; NS = not significant
Cluster 3 (two mood lows in the first and second half of the vacation) will be outlined forthwith as a contrast program. It differs from clusters 1 and 2 in practically all characteristics. The above-average frequency reported in happiness, enjoyment, relaxation and satisfaction. As a mood type, the members of cluster 3 relate a proportion of singles, low level of club experience and the expectation of a mood improvement until shortly before the end of the vacation and the level of the "mood peak". The requirements demanded in a regression are fulfilled. The test on multicollinearity produced values of no more than 1.61 for the variance inflation factors and tolerance values of at least 0.61 in all regression analyses (Hair et al. 1995). We selected the following aspects of mood behavior as potential determinants: average mood on the vacation and its communication is interesting. Vacationer’s evaluations were recorded in the survey at the end of the vacation and the level of the "mood peak". The requirements demanded in a regression are fulfilled. The test on multicollinearity produced values of no more than 1.61 for the variance inflation factors and tolerance values of at least 0.61 in all regression analyses (Hair et al. 1995). The Durbin-Watson test implemented to examine the autocorrelation produced good results as well (values d” 1.81).

### TABLE 4
Vacation-Oriented Characteristics of the 10-Day Guests in the Three Clusters

<table>
<thead>
<tr>
<th></th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Arrival</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood on arrival day</td>
<td>$M = 6.2$ (1.1)</td>
<td>$M = 5.2$ (1.4)</td>
<td>$M = 4.3$ (1.6)</td>
</tr>
<tr>
<td>Smooth arrival</td>
<td>$M = 6.0$ (1.5)</td>
<td>$M = 4.9$ (2.0)</td>
<td>$M = 4.8$ (1.9)</td>
</tr>
<tr>
<td><strong>Life in the Club</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settle in rapidly</td>
<td>$M = 6.7$ (0.6)</td>
<td>$M = 6.1$ (0.8)</td>
<td>$M = 5.4$ (1.7)</td>
</tr>
<tr>
<td>Make contact easily</td>
<td>$M = 6.4$ (0.6)</td>
<td>$M = 5.6$ (1.2)</td>
<td>$M = 5.0$ (1.9)</td>
</tr>
<tr>
<td>Vacationers with similar interests</td>
<td>$M = 5.4$ (1.7)</td>
<td>$M = 5.3$ (1.4)</td>
<td>$M = 4.1$ (1.8)</td>
</tr>
<tr>
<td>Overview of the offer</td>
<td>$M = 6.4$ (1.0)</td>
<td>$M = 5.9$ (1.0)</td>
<td>$M = 5.1$ (1.8)</td>
</tr>
<tr>
<td>Club arrangement clear</td>
<td>$M = 6.5$ (0.9)</td>
<td>$M = 6.4$ (0.7)</td>
<td>$M = 5.5$ (1.6)</td>
</tr>
<tr>
<td>Attentive club personnel</td>
<td>$M = 6.2$ (1.2)</td>
<td>$M = 5.9$ (0.9)</td>
<td>$M = 5.3$ (1.2)</td>
</tr>
<tr>
<td>Adequate course difficulties</td>
<td>$M = 6.2$ (1.3)</td>
<td>$M = 5.5$ (1.1)</td>
<td>$M = 4.3$ (1.5)</td>
</tr>
<tr>
<td><strong>Feelings during the Vacation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stress $M = 5.1$ (0.6)</td>
<td>$M = 1.9$ (1.3)</td>
<td>$M = 2.6$ (1.8)</td>
<td>$F (2, 65) = 3.95$ *</td>
</tr>
<tr>
<td>Tiredness $M = 2.3$ (1.4)</td>
<td>$M = 3.9$ (1.8)</td>
<td>$M = 3.9$ (1.3)</td>
<td>$F (2, 65) = 7.08$ **</td>
</tr>
<tr>
<td>Disappointment $M = 5.6$ (0.8)</td>
<td>$M = 5.6$ (1.0)</td>
<td>$M = 4.6$ (1.4)</td>
<td>$F (2, 65) = 10.89$ ***</td>
</tr>
<tr>
<td>Satisfaction $M = 6.6$ (0.5)</td>
<td>$M = 5.8$ (0.7)</td>
<td>$M = 4.8$ (1.4)</td>
<td>$F (2, 65) = 15.99$ ***</td>
</tr>
<tr>
<td>Relaxation $M = 6.6$ (0.7)</td>
<td>$M = 5.9$ (1.1)</td>
<td>$M = 5.3$ (1.4)</td>
<td>$F (2, 66) = 6.03$ **</td>
</tr>
<tr>
<td>Enjoyment $M = 6.4$ (0.6)</td>
<td>$M = 6.0$ (0.8)</td>
<td>$M = 5.1$ (1.6)</td>
<td>$F (2, 64) = 8.17$ **</td>
</tr>
<tr>
<td><strong>End of the Vacation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regrets end of vacation</td>
<td>$M = 5.6$ (1.8)</td>
<td>$M = 5.5$ (1.3)</td>
<td>$M = 3.9$ (1.7)</td>
</tr>
<tr>
<td>Would recommend club</td>
<td>$M = 5.6$ (2.0)</td>
<td>$M = 6.2$ (0.9)</td>
<td>$M = 5.2$ (2.0)</td>
</tr>
<tr>
<td>Would book the operator again</td>
<td>$M = 6.5$ (1.2)</td>
<td>$M = 6.5$ (0.8)</td>
<td>$M = 5.60$ (2.0)</td>
</tr>
<tr>
<td><strong>Satisfaction with Club and Vacation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfied with club</td>
<td>$M = 6.6$ (0.6)</td>
<td>$M = 6.0$ (0.8)</td>
<td>$M = 5.2$ (1.7)</td>
</tr>
<tr>
<td>Satisfied with vacation</td>
<td>$M = 6.7$ (0.5)</td>
<td>$M = 6.2$ (0.7)</td>
<td>$M = 5.7$ (1.0)</td>
</tr>
</tbody>
</table>

SD in brackets; * / ** / *** = $p < .05 / .01 / .001$; NS = not significant
 TABLE 5  
Regression Analyses to predict Overall Evaluations

<table>
<thead>
<tr>
<th>Satisfaction with the Vacation</th>
<th>Model 1</th>
<th>Model 2</th>
<th>R²</th>
<th>∆ R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average mood first day</td>
<td>.146 **</td>
<td>.136 **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood peak</td>
<td>.314 ***</td>
<td>.287 ***</td>
<td>.250 ***</td>
<td></td>
</tr>
<tr>
<td>Average mood last day</td>
<td>.168 **</td>
<td>.125 *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood during final survey</td>
<td>.163 ***</td>
<td>.272 ***</td>
<td>.022 ***</td>
<td></td>
</tr>
<tr>
<td>Satisfaction with the Club</td>
<td>Model 1</td>
<td>Model 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average mood first day</td>
<td>.104 *</td>
<td>.095 NS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood peak</td>
<td>.289 ***</td>
<td>.264 ***</td>
<td>.174 ***</td>
<td></td>
</tr>
<tr>
<td>Average mood last day</td>
<td>.119 *</td>
<td>.079 NS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood during final survey</td>
<td>.150 **</td>
<td>193 ***</td>
<td>.019 **</td>
<td></td>
</tr>
<tr>
<td>Would Recommend the Club</td>
<td>Model 1</td>
<td>Model 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average mood first day</td>
<td>.022 NS</td>
<td>.014 NS</td>
<td></td>
<td>.067 ***</td>
</tr>
<tr>
<td>Mood peak</td>
<td>.239 ***</td>
<td>.217 ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average mood last day</td>
<td>.020 NS</td>
<td>.016 NS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood during final survey</td>
<td>.132 *</td>
<td>.082 ***</td>
<td>.015 *</td>
<td></td>
</tr>
<tr>
<td>Book with the Operator Again</td>
<td>Model 1</td>
<td>Model 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average mood first day</td>
<td>.041 NS</td>
<td>.037 NS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood peak</td>
<td>.172 **</td>
<td>.158 *</td>
<td>.048 ***</td>
<td></td>
</tr>
<tr>
<td>Average mood last day</td>
<td>.045 NS</td>
<td>.022 NS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mood during final survey</td>
<td>.082 NS</td>
<td>.054 ***</td>
<td>.006 NS</td>
<td></td>
</tr>
</tbody>
</table>

β = standardized regression coefficient; ∆ R² = incremental explained variance through Model 2; ** / *** = p < .05 / .01 / .001; NS = not significant

The results of an initial regression can be found in Table 5 under “Model 1”. The results show that all three supposed determinants affect the satisfaction with the vacation and the club. The mood peak also affects the willingness to recommend the club and rebook such a holiday with the operator. The influence of the mood peak is strongest in both satisfaction dimensions (vacation, club); the second strongest is the influence of the average mood on the last day of the vacation, which suggests a recency effect. This supports the assumptions and findings on the correlation between experience and judgment sequences and the occurrence, and overall judgments in this respect or resulting evaluations on the other (see Ariely and Carmon 2003).

The first regression carried out neglects the fact that the overall judgments expressed after a vacation not only depend upon the preceding occurrences and experience but also the mood at the point of judgment (Bagozzi et al. 1999; Sudman et al. 1996). Some authors therefore speak of mood-biased ratings (Zins 2001). In order to define the mood bias in our judgment survey more closely, the mood at the point of survey was included in the regression equation in a second step (Silberer and Jaekel 1996). The results of this analysis are illustrated in Table 5 under “Model 2”. The mood at the measuring time namely proves effective in three of the four effect factors; in both satisfaction variables and the recommendation variable. In these factors, the mood at the measuring time even takes second place in the strength of the influence. A significant aspect of mood bias can also be seen in that the influence of the other independent variables qualifies itself: it proves consistently lower than in the first regression in the inclusion of the mood at the measuring time. That the second regression approaches the occurrence, and consequently has better explanatory power, can be deduced from the shift in the explained variance (see the last column in Table 5).

Summary of the Results

The most important findings of our study can be outlined as follows: (1) The mood behavior displays several different forms. They do not only vary in vacation duration but also in personal factors. (2) The differences between the behavior clusters, as they arise from the comparison of the clusters using different variables, can be interpreted as confirmation of the existing findings on mood determinants. (3) The satisfaction with the vacation and club, as well as the willingness to recommend the club and rebook it, does not only depend upon the mood behavior but also the mood at the time of the survey. This confirms indications of mood bias in the survey and satisfaction research.
Mood Behavior on Vacations

IMPLICATIONS FOR RESEARCH AND PRACTICE

Our study on mood behavior was able to show for the first time that not only is daily tracking possible under favorable conditions, even in the case of vacationers who are reluctant to be disturbed on vacation, but also an extensive survey at the end of the vacation. The combination of the diary method and the final survey stood the test. Further studies are due to follow as it should be considered that we only examined particular high-priced vacations with principally German, Austrian and Swiss guests. Moreover, only two resorts on the Canary Islands were selected from the large number of clubs and the study was carried out in the fall. Other or even new mood behavior can by all means be expected for other forms of vacation, other locations and other times. The same applies to the success of and satisfaction with the vacation. Zins’s (2001) finding that better satisfaction effects arise in all-inclusive offers than in other offers refers to the latter.

Further studies can also concentrate on observation periods and expand on this. In the process, there should also be an attempt to record mood behavior shortly prior to the vacation, on arrival, on the journey home and in the days following the vacation. In such cases, it could become necessary to issue several diaries and carry out several surveys at different times to avoid overextending the memory of the test people. Mood bias can also be controlled in repeated surveys.

We would also only like to address certain aspects regarding practice, the operators’ work and their satisfaction surveys.

(1) Mood curves with mood improvements and peaks suggest favorable opportunities for a relaxed, successful communication with the guest. Mood deterioration and mood lows should raise the question as to how they can be prevented or at least extenuated and curtailed. In these phases, due consideration of how to deal with a guest and what can be expected of him or her is imperative. Besides mood management on location, a timely attempt at recognizing and, if necessary, correcting the erroneous expectations of potential guests is also a possibility.

(2) Of course, mood management is not entirely new in practice. On the day of arrival, the guest is generally exhausted, irritable and in a bad mood. The correct incoming provides the fastest possible and smooth check-in at the club. A nice welcome, a drink and a kind word are seldom lacking. The official welcome on the following day is more likely to see vacationers in a better mood, so that the timing is also right here. However, deficits can be detected. Innovations regarding the possible mood deterioration towards the end of the vacation would certainly be advisable. The organizers should primarily consider whether the same efforts could be made on the day of departure so that the guests’ last impression is right as well as the first.

(3) However, the mood curves also suggest recommendations to the vacationers. Several measures can be undertaken to avoid mood lows shortly before, during and shortly after arrival, like the reduction of stress before going on vacation and during the arrival, or a behavior that is conducive to relaxation and well-being during and after the vacation. So why not “cheat” the possible “culture shock” upon returning home?

REFERENCES


ABSTRACT
This article introduces the concept of consumer sexism and develops a measurement scale for the construct. Through 4 different studies, internal, nomological, and face validities of the scale are established and various effects are explored. Findings suggest that consumer sexism affects attitudes toward products advertised as originating from women. They also suggest that while sexism does not affect online review credibility, it interacts with a perceived product gender type in negatively influencing attitudes toward masculine products favorably evaluated by female reviewers, and also directly and negatively affects purchase intentions for such products, no matter the perceived product gender.

INTRODUCTION
According to the U.S. Census Bureau (2006), Women owned 6.5 million non-farm U.S. businesses in 2002—up 19.8% from 1997—, employing 7.1 million people and generating $940.8 billion in business revenues. These women-owned firms accounted for 28.2 percent of all non-farm businesses in the United States. Not only do they own their businesses, women also manage big corporations these days—think of eBay’s Meg Whitman, Martha Stewart, or former HP CEO Carly Fiorina. As women take an increasingly important role in the marketplace, nowadays providing, endorsing as spokespersons, and/or offering reviews for products and services in essentially all categories, this may represent a new reality for consumers. Consider the following scenario:

As Robert browses through the web site of his favorite online business magazine, he notices an online advertisement for XLT, a new brand of laptop computers he did not know until then. The ad depicts the (female) president of the XLT corporation, smiling with pride as she presents her new XLT laptop to the world. Wanting to learn further about this brand, Robert then visits an online forum that pertains to consumer evaluations of computer equipment. Finding a page filled with comments from customers of XLT, he notices a posting from Margareth, who seems delighted with her XLT laptop.

Of course, many factors will influence the beliefs, attitudes, and eventually purchase intentions Robert develops about the XLT brand of laptops, from the looks of the XLT president to even the background of the online recommendation web page (PetrosLius and Crocker 1989; Stevenson, Bruner, and Kumar 2000). Yet previous psychological research suggests that Robert’s decision may be grounded—at least partially—in Robert’s level of sexism. The literature in psychology indeed shows that sexism may result in the cononding of unequal treatment of women and men, even today (Swim, et al. 1995; Tougas et al. 1995). Because he has been faced with an ad depicting a woman providing the XLT computer, and since the review he read on the web had been posted by a woman, it may be that Robert could develop negative attitudes and purchase intentions about this brand.

Considering the growing number of women-owned businesses in the U.S. as well as the active role women play on the markets, understanding consumers’ responses toward the idea of buying from women should hold significant importance for stakeholders, including businesses, governments, and consumers. At the same time, confirming the existence and understanding the effects of such factors as consumer sexism should help businesses know if and how to adapt important activities such as marketing communication, branding, and product portfolio. The implications are also potentially important for all other businesses and may suggest the need for adaptation in the partnerships they pursue, distribution channel selection, and so on. For governments, the conclusions of this research could suggest a need to provide support to women-owned businesses in order to compensate for gender-based discrimination by consumers or the need to raise public awareness.

In order to address these critical issues, this article proposes to test the effects of consumer sexism on consumption behavior in a variety of product categories. The following pages first review past research on sexism and derive hypotheses on the basis of extant literature. A scale to measure consumer sexism (CS) is developed, and the effects of consumer sexism on consumer attitudes toward products and on consumers’ intentions to buy said products are then empirically tested in two different settings. Finally, conclusions and implications are discussed.

CS AND CONSUMER PERCEPTIONS OF PRODUCTS PROMOTED OR ADVOCATED BY WOMEN
Sexism is commonly considered to be discrimination and/or hatred against people based on their gender rather than their individual merits, but can also refer to any and all systemic differentiations based on the sex of the individuals. It can be partitioned as consisting of sexism against the female sex, sexism against the male sex, sexism against the intersex (hermaphrodite and pseudohermaphrodite), and sexism against the transsex (transmale and transfemale). Yet the term sexism, in common usage, usually implies “sexism against females” and may include sexism directed from men toward women as well as from women toward women.

Sexism comes in many different forms, including blatant, covert, and subtle sexism (Benokraitis and Feagin 1999). Blatant sexism is defined as obviously unequal and unfair treatment of women relative to men, whereas covert sexism is defined as unequal and unfair treatment of women that is recognized but purposefully hidden from view. Both blatant and covert sexism are intended, but only covert sexism is hidden. In comparison to these two forms, subtle sexism represents unequal and unfair treatment of women that is not recognized by many people because it is perceived to be normative, and therefore does not appear unusual. Like covert sexism, subtle sexism is hidden but unlike covert sexism, subtle sexism is not intentionally harmful. Subtle sexism was deemed particularly interesting from both theoretical and practical perspectives in psychology because it may be quite prevalent (Benokraitis and Feagin 1999) and have an insidious impact on its victims (Swim et al. 2003).

Unlike old-fashioned sexists who explicitly support gender inequality and endorse traditional gender roles, Neosexists or (Modern Sexists) express beliefs that indirectly condone the unequal treatment of women and men (Swim et al. 1995; Tougas et al. 1995). There is evidence that Neosexist beliefs are associated with a lower likelihood of defining some behaviors as sexist. Endorsement of Neosexist beliefs was associated with a lower likelihood of labeling beliefs from several sexism scales and everyday sexist behaviors as being, in fact, sexist (Swim et al.
chance of winning the $200 participation prize for each friend and acquaintance they invited to participate in the survey. Usable answers were gathered from 138 respondents aged 19 to 65 with a mean age of 26.8 years. All items were scored using a seven-point Likert format with higher scores representing greater levels of CS. Before data analysis, the Kaiser-Meyer-Olkin test of sampling adequacy and the Bartlett test of sphericity were used to determine the appropriateness of factor analysis and both indicated that factor analysis was appropriate for the data. Because the CS concept was assumed to reflect a single latent person variable, it was considered most appropriate to test for a general factor on which most of the items would load positively. Thus, exploratory principal components factor analysis was performed on the set of 9 original items. To increase homogeneity and in the interest of developing a more parsimonious scale, items that did not have corrected item-total correlations greater than .40 were deleted, resulting in the deletion of 4 items. Follow-up factor analyses on the remaining items as well as Cattell’s scree plot criterion indicated that only one factor should be retained, suggesting a 5-item, unidimensional scale with a Cronbach alpha of .631.

Confirmatory Factor Analysis

A second survey was conducted to generate data for confirmatory factor analysis. This time, items were scored on 9-point Likert scales to induce greater variance. Again, the survey involved a web-based questionnaire and a viral recruitment approach, this time using different networks. A total of 139 questionnaires were gathered in this second phase, none of which involved a web-based questionnaire and a viral recruitment approach. Mean age was slightly higher in this case, with 31.0 years. Additional socio-demographic measures showed that 61.9% of respondents were female, 79.9% had at least some college education, 48.9% were single, 46.8% were working full time, and 43.2% had revenues of $60,000 or more.

We ran confirmatory factor analysis through structural equations modeling. The first model we tested yielded rather bad fit indices: $\chi^2 = 43.376 \text{ } (p<.001)$, $R^2/df = 8.675$; GFI = .943; AGFI = .830; CFI = .876; and RMSEA = .166. Follow up analysis however suggested that this was due to one specific item. After removing it from the analysis and performing CFA on the remaining 4 items, fit indices confirmed the internal validity of the scale: $\chi^2 = 2.500 \text{ } (p>.05)$, $R^2/df = 1.250$; GFI = .996; AGFI = .978; CFI = .997; and RMSEA = .030. Cronbach alpha was also near the .700 threshold at .699. The 4 items and their factor loadings appear in Table 1.

It should be noted that such a unidimensional conception of CS is consistent with previous research on sexism. All related research appears to have considered sexism a single-factor construct and used unidimensional scales to measure the phenomenon (Tougas et al. 1995; Swim et al. 2005), thus making it logical for CS to be a single-dimension concept as well.

### TABLE 1
Confirmanatory Factor Analysis Results for CS items

<table>
<thead>
<tr>
<th>Item</th>
<th>Single-Factor Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. We should support women in their struggle to build their own successful businesses in this country by consuming their goods and services.*</td>
<td>.60</td>
</tr>
<tr>
<td>2. It is easy to understand the frustration of women business owners in this country, who see us patronizing other stores instead of theirs.*</td>
<td>.81</td>
</tr>
<tr>
<td>3. Generations of economic domination and discrimination have created conditions that make it difficult for women to create businesses and get us to purchase their products.*</td>
<td>.57</td>
</tr>
<tr>
<td>4. There is very little discrimination against women-owned businesses.</td>
<td>.47</td>
</tr>
</tbody>
</table>

Note: Single-factor model $\chi^2 = 2.500$ with 2 degrees of freedom ($p>.05$), $R^2/df = 1.250$; GFI = .996; AGFI = .978; CFI = .997; and RMSEA = .030. *Item is reverse scored.
NOMOLOGICAL VALIDITY
To assess nomological validity, we had administered Tougas et al.’s (1995) Neosexism scale in the two studies described above. In the first study, correlation between the final 4-item scale and the Neosexism scale was .252 (p<.005) while it was .248 (p<.001) in the second study. This tends to confirm nomological validity for this scale.

FACE VALIDITY ASSESSMENT IN THE CONTEXTS OF ADVERTISING AND ONLINE RECOMMENDATIONS

Study 1. CS in Advertising
To validate the scale and test it further, two studies were designed to test whether CS levels influence reactions to products that are promoted using ads depicting the two different genders, as well as advocated online by reviewers of the both genders. In our first study, our chief hypothesis was that sexist consumers should hold less favorable attitudes and purchase intentions in the case of products or services advertised as originating from, or being enjoyed by, women, as stated in the following hypothesis:

H$_1$: CS will negatively affect consumer attitudes towards products advertised as being recommended by women—that is, the more sexist the consumer, the less favourable the attitudes towards said products.

H$_2$: CS will negatively affect purchase intentions for products advertised as being recommended by women—that is, the more sexist the consumer, the less favourable the intentions to purchase said products.

To test these hypotheses, an online survey was developed to gather respondent attitudes as well as purchase intentions for private nursing care services displayed in a fictitious ad depicting a female nurse as being the founder and president (see Appendix A). Respondents saw this single ad, after which their attitudes and purchase intentions for this service were measured. Both attitudes and intentions to buy were measured using 7-point semantic differential scales: attitudes (6 items): bad/good, unfavorable/favorable, disagreeable/agreeable, unpleasant/pleasant, negative/positive, dislike/like (Cronbach alpha = .964); purchase intentions (3 items): unlikely/likely, improbable/probable, impossible/possible (Cronbach alpha = .968). Socio-demographic data were then gathered, along with levels of CS and Neosexism (for further comparisons).

Four hundred and thirty-two people aged 18 to 65 (mean age was 26.1 years) completed this quick questionnaire. An overall CS score was calculated for each respondent. The mean CS score was 3.64 (median was 3.50) with a standard deviation of 1.021. The scale ranged from a low of 1.00 to a high of 6.75 and also exhibited low Skewness (.175) and close-to-normal Kurtosis statistics (3.282). In comparison, the neosexism scale ranged from 1.45 to a high of 6.00, with a mean of 2.96 and a standard deviation of .787, and higher Skewness (.793) and Kurtosis statistics (4.806). To test our hypothesis, we ran two different linear regressions with, in the first model, attitude toward the services as a dependent variable and CS as predictor variable. In the second model, the dependent variable was intention to purchase the service and predictors were CS and attitudes toward the product.

As Table 2 depicts, CS does exert a significant and negative effect on attitudes toward the product. However, this effect appears to be completely mediate the effects of CS on intentions to buy as: (1) a marginally significant negative effect is found when considering the direct influence of CS on purchase intentions without attitude toward the service (p<.10); and (2) these effects become non significant in the second model that includes consumer attitudes. This tends to confirm H$_1$ but not H$_2$. As a side note, for comparisons with the neosexism scale, it should be noted that the latter failed to exert any significant effects in both similar models (p>.10).

Study 2. CS and Online Product Reviews
Product Gender. The effects of CS may not be linear across product categories, as previously suggested by Wolin (2003). Previous research indeed suggests at least one potential moderator of consumer prejudice applicable in this case: perceived credibility in the product category. Extent literature confirms that consumers tend to attribute masculine, neutral, or feminine characteristics to products and services (Allison, Golden, Mullet, and Coogan 1980; Alreck, Settle, and Beck 1982). As in the case of product-country or product-ethnicity image, which refer to how consumers attribute more credibility to certain nations or ethnicities as providers of certain goods and services (Papadopoulos and Heslop 1993; Peterson and Jolibert 1995; Ouelllet 2007), it is very likely that women should be perceived as more capable, or credible, than men when advocating, providing, or promoting (e.g., through advertising) certain goods or services. For instance, even sexist consumers are likely to perceive that women are more credible when promoting or endorsing feminine products, such as cosmetics. Following extent literature on the hierarchy of effects and online product recommendations, it was expected that:

H$_3$: The perceived product gender will moderate the influence postulated in H$_1$—that is, an interaction between CS and perceived product gender is expected.
H5: CS will negatively affect customer attitudes toward products recommended by female sources—that is, a main effect of CS is expected.

H6: The perceived product gender will moderate the influence postulated in H5—that is, an interaction between CS and perceived product gender is expected.

H7: CS will negatively affect customer intentions to buy products recommended by female sources—that is, a main effect of CS is expected.

H8: The perceived product gender will moderate the influence postulated in H7—that is, an interaction between CS and perceived product gender is expected.

FIGURE 1.
The Postulated Effects of Consumer Sexism on Online Recommendation Source Credibility, A_product, and Purchase Intentions of Recommended Product

To test hypotheses 3 through 8 as summarized by the model displayed in Figure 1, a 2-cell design varying product gender was used. Product gender had been pretested with 20 undergraduate students who had evaluated 10 products already demonstrated in the literature as either masculine or feminine. Swiss knives had been selected as the most masculine of all tested products, and hand lotion as the most feminine one, and a manipulation check later confirmed this difference in the perceived gender of both products \((p < .001)\). CS was measured and introduced as a covariate. Other measures included online recommendation source credibility (Lichtenstein and Bearden 1989; 5 items, Cronbach alpha = .842), attitude toward the product scale (3 items, Cronbach alpha = .982), and purchase intentions (3 items, Cronbach alpha = .871). For further comparison with the sexism concept in the extent literature, we measured neosexism once again using Tougas et al.’s (1995) instrument. All items were scored using 9-point Likert scales.

Respondents were randomly assigned to one of the 2 conditions and shown a product along with a positive recommendation from a female consumer for this product. One hundred and thirty three respondents provided usable questionnaires, 67 for the swiss knife (i.e., masculine product) and 66 for the hand lotion (i.e., feminine product).

As a first step, we ran an analysis of covariance with source credibility as the dependent variable, and both CS and a CS × Product Gender interaction term as predictors, in order to test H3 and H4. As Table 3 shows, no effects were found for either CS or the CS × Source Gender interaction term. These results therefore fail to support H3 and H4. It should be noted that, when comparing a same model using Tougas et al.’s (1995) Neosexism instead of CS, both terms also fail to achieve significance \((p > .10)\).

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>F</th>
<th>Sig.</th>
<th>Partial (\eta^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>.006</td>
</tr>
<tr>
<td>Product Gender × CS</td>
<td>2.288</td>
<td>1</td>
<td>.848</td>
<td>.359</td>
<td>.006</td>
</tr>
<tr>
<td>Product Gender × CS</td>
<td>.649</td>
<td>1</td>
<td>.241</td>
<td>.625</td>
<td>.002</td>
</tr>
</tbody>
</table>

\(R^2 = .008\) (Adjusted \(R^2 = -.007\))

As a second step, we ran another analysis of covariance with attitude toward the product as the dependent variable and source credibility, CS, and a CS × Product Gender interaction term as predictors, in order to test H5 and H6. As Table 4 shows, a significant effect was found for the CS × Product Gender interaction term, but CS only reached marginal statistical significance \((p < .10)\). For illustration purposes, Figure 2a shows that when comparing high CS with low CS respondents following a median split, attitudes toward products are lower for masculine products than for feminine ones in high CS consumers but not in low CS ones. These results provide support for H5 but only marginal support H6. As a comparison, when estimating a same model using Neosexism instead of CS, the model explains slightly less variance \((R^2 = .377\) as opposed to .396 for the model with CS) and only source credibility turns out significant, although the Product Gender × Neosexism interaction term exerts (barely) marginal significance \((p = .098)\).
TABLE 4
The effects of CS, Product Gender, and Source Credibility on Attitude toward the Product

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>F</th>
<th>Sig.</th>
<th>Partial η²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source credibility</td>
<td>137.738</td>
<td>1</td>
<td>77.656</td>
<td>.000</td>
<td>.376</td>
</tr>
<tr>
<td>CS</td>
<td>6.177</td>
<td>1</td>
<td>3.483</td>
<td>.064</td>
<td>.026</td>
</tr>
<tr>
<td>Product Gender × CS</td>
<td>7.662</td>
<td>1</td>
<td>4.320</td>
<td>.040</td>
<td>.032</td>
</tr>
</tbody>
</table>

R² = .396 (adjusted R² = .382)

Finally, we ran a last analysis of covariance with attitude toward the product as the dependent variable, source credibility, attitude toward the product, CS, and a CS × Product Gender interaction term as predictors, in order to test H7 and H8. As Table 5 shows, a significant effect was found for CS, but the CS × Product Gender interaction term failed to achieve statistical significance. For illustration purposes, Figure 2a shows the evolution of purchase intentions by CS level (following a median split) and product gender. These results support H7, but fail to support H8. As a comparison, a same model using Neosexism instead of CS explains slightly less variance (R² = .656 vs. .684), and only attitude toward the product is significant or even marginally significant.

DISCUSSION AND IMPLICATIONS

The objectives of this research program were to explore whether sexist sentiments could influence consumer behaviors toward products advertised or advocated by women, and also to develop a reliable measurement instrument for the concept of consumer sexism. An adaptation of Ouellet’s (2007) consumer racism scale to the concept of consumer sexism has demonstrated good internal validity as well as nomological validity in comparison with the mainstream sexism scale used in psychology (Tougas et al. 1995). Furthermore, its use in two distinct validation studies shows that the scale exerts good face validity, influencing consumer attitudes and/or behaviors in both studies while psychological scales fail to demonstrate the same effects.

More specifically, our results indicate that a sexist-based influence on consumer behavior does exist. The results indeed highlight the fact that the more sexist consumers are, the less favourable they are to products advertised as originating from female providers (study 1). Moreover, sexist consumers appear to significantly exert less favourable attitudes towards masculine products recommended by female reviewers, but also appear to be less willing to buy any product recommended by women, no matter their perceived gender. Overall, these results thus also highlight the moderating influence of a certain Product-Gender Image on the effects of sexism on consumer behavior. No study had so far directly established relationships between a measure of sexism in consumers and their evaluations of products. Our results warrant further investigation in this field.

FIGURE 2
Interaction effects of Product Gender and CS Level (after Median Split) on (a) Attitudes toward the Product and (b) Intentions to Buy.

TABLE 5
The effects of CS, Product Gender, Source Credibility, and A_product on Purchase Intentions

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>F</th>
<th>Sig.</th>
<th>Partial η²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source credibility</td>
<td>2.221</td>
<td>1</td>
<td>1.795</td>
<td>.183</td>
<td>.014</td>
</tr>
<tr>
<td>Attitude toward the Product</td>
<td>158.578</td>
<td>1</td>
<td>128.135</td>
<td>.000</td>
<td>.500</td>
</tr>
<tr>
<td>CS</td>
<td>16.793</td>
<td>1</td>
<td>13.569</td>
<td>.000</td>
<td>.096</td>
</tr>
<tr>
<td>Product Gender × CS</td>
<td>.186</td>
<td>1</td>
<td>.151</td>
<td>.699</td>
<td>.001</td>
</tr>
</tbody>
</table>

R² = .684 (adjusted R² = .674)
This research has a number of implications. First, it suggests that marketing practitioners carefully review their options before making a decision on the gender image they want to project for their products or services, especially when the product is perceived as a highly masculine one. This is obviously most especially true if marketers’ target consumers may be thought to exhibit sexism. The results also raise concerns for policy makers, who should question whether they should provide assistance to help women entrepreneurs enjoy similar chances of commercial success than male entrepreneurs despite apparent sexist effects on their business.

For academic researchers, research implications of this study are two-fold. First, findings in this study suggest consumer sexism as a key construct for future academic research involving consumer behavior across gender groups and in relation with each other. Second, this investigation has shown how CS may impact consumer attitudes toward products of different perceived genders. Of course, although many of the postulated effects of sexism were demonstrated as statistically significant and in line with expectations based on the literature, other studies on sexism should be undertaken before confidently concluding in the existence and influence of sexism on consumer attitudes and behavior. Further research should try to clarify more directly how sexism plays in relation with other key discrimination variables, such as consumer racism.

REFERENCES


Consumer Fashion Innovativeness Across Cultures: A Test of Scale Reliability and Measurement Invariance

Anil Mathur, Frank G. Zarb School of Business
Benny Barak, Frank G. Zarb School of Business, Hofstra University
Yong Zhang, Frank G. Zarb School of Business, Hofstra University
Keun S. Lee, Frank G. Zarb School of Business, Hofstra University
Denis Guiot, Université de Paris Dauphine, France

ABSTRACT

This study attempts to establish measurement invariance for a fashion innovativeness scale across five diverse cultures with samples from Korea (N = 639), China (N = 523), India (N = 172) the United States (N = 399), and France (N = 428). The results from a series of confirmatory factor analyses indicate that the fashion innovativeness scale is applicable to culturally divergent countries. Implications of findings are discussed.

INTRODUCTION

While the appreciation and pursuit of beauty seems universal, the common adage that beauty is in the eyes of the beholder suggests that what is considered beautiful may not be universal. In fact, what is considered beautiful might be a reflection of culturally specific preferences. And yet, the commercial success of fashion purveyors in industries such as perfume, fashion items, cosmetics, weight control products, and, in the last quarter century, cosmetic surgery, suggests otherwise. Indeed, fashion and fashion trends, which undoubtedly are closely related to the appreciation of beauty, have developed into a major global phenomenon. In fact, with the globalization of fashion markets, there has been an increasing need for marketers to understand the ways in which global fashion consumers are similar in their preferences.

Accordingly, one can assume that the desire to be fashionable is universal. It is generally believed that Western cultures are dominated by an obsession with physical appearance and beauty (Netemeyer, Burton, and Lichtenstein 1995). Fashion related industries are a major sector in major Western economies and are supported by hundreds of billions of dollars of purchasing power. There is reason to believe that fashion-related industries also represent a large component of consumer markets in the Far East. Huge numbers of people in India, China, and other East Asian countries have become avid consumers when their local economies became integrated with the global economy. Indeed, it would have been quite surprising if beauty and fashionability had not become globalized as well. This process of fashion globalization has been expedited over the last decade by both fashion marketers and technology. For instance, access to global media like movies, TV shows, and the Internet has provided the opportunity to market standardized products and services in the fashion industry.

However, few recent studies have addressed this global phenomenon. To assess the universality of the fashion phenomenon, it is important that we utilize scales that can measure relevant constructs across cultures. The objective of this study is to assess reliability and establish measurement invariance of the fashion innovativeness scale across five countries. The 9-item fashion innovativeness scale used in the study was adapted from Goldsmith and Hofacker’s (1991) measure of designer fashion innovativeness (see Appendix A).

Fashion Innovativeness

Although many consumer researchers have viewed innovativeness as a personality trait, some research has also found that using specific scales to measure domain-specific innovativeness (e.g., fashion innovativeness) is more desirable (e.g., Goldsmith and Hofacker 1991). Fashion innovativeness has received increasing attention by consumer behavior researchers in recent times. While the measure of fashion innovativeness was used to examine differences between men and women (Beaudoin, Lachance, and Robitaille 2003; Stith and Goldsmith 1989; Workman and Studak 2006), the same construct was adopted to assess its impact on young Korean consumers’ attitude toward purchasing foreign fashion goods online across national borders (Park, Burns, and Rabolt 2007). In other studies, only the female sample was utilized to assess the impact of fashion innovativeness on self-image (Goldsmith, Moore, and Beaudoin 1999), the success/failure of new products and services (Muzinich, Pecotich, and Putrevu 2003), and locus of control (Darley and Johnson 1993). In a study of differences in fashion innovativeness, Stith and Goldsmith (1989) have found that the differences between the sexes were larger than the differences between races. In a related study, Harben and Kim (2008) have found that fashion opinion leadership influences attitude toward advertisements and the viewers’ attitudes toward advertisements were carried over to attitudes toward products.

While widespread fashion as portrayed in global advertising has become a façade and poster child of the global era, there have been few studies that tried to assess the applicability and universality of a measure of consumer fashion innovativeness. Steenkamp, Hofstede, and Wedel (1999) attempted to establish measurement invariance across 11 European countries (Belgium, Denmark, France, Germany, Great Britain, Greece, Ireland, Italy, the Netherlands, Portugal, and Spain) of the exploratory acquisitions of products (EAP) scale (Bauemgartner and Steenkamp 1996), which is an operationalization of a consumer innovativeness trait. Measurement invariance of the EAP innovativeness scale across eleven countries is noteworthy because of the clear differences in the societies surveyed. Even though all of the populations sampled are members of the European Union, it is obvious that they possess substantial cultural differences. One needs to consider their disparity in terms of historical background, languages, religion, and economic well-being to realize this.

That there is a difference in how men and women relate to fashion is not too surprising. After all, in most cultures across the world, women tend to have a greater variety in their clothes and associated fashion trends than do men. Cultural distinctions in dress code and customs can also be expected to lead to substantial fashion differences across countries. For instance, saris, which a great many women still commonly wear in India, are almost unknown in France. Yet, the globalization of the marketing and advertising of fashion and related industries (e.g., cosmetics) may well lead to the emergence of a great many commonalities in culturally extremely diverse societies. Fashion innovators in such societies are likely active participants in both the introduction and diffusion of global fashion phenomena. It would therefore be worthwhile to investigate if research tools, such innovativeness scales, can be used in a global context to help with the marketing and promoting of products and services across disparate
civilizations. The present study therefore represents an exploratory effort to assess if such a fashion innovativeness scale can be used across widely divergent cultures all over the world. It is worth noting that an alternative aspect of the study represents the notion that if a fashion innovativeness scale that originates in the United States can be used for purposes of cross-cultural research, then it is probably feasible to assume that additional innovativeness-related scales originating in the West are also likely to be useful in non-fashion contexts as well, e.g., when marketing non-traditional non-fashion products and services (including pioneering services for worldwide bodies such as Doctors without Borders).

Measurement Invariance Across Cultures

One of the most important steps in studying cross-cultural consumer behavior in a comparative context involves demonstrating that concepts and traits studied occur in a similar way across differing cultures. Establishing measurement invariance is a precondition for the same. Steenkemp and Baumgartner (1998) developed a step-by-step procedure that can be used to establish measurement invariance of scales across cultures. Mathur et al. (2001) used the procedure to establish measurement invariance of the cognitive age scale (Barak and Schiffman 1981) across culturally diverse countries and report that this procedure can be very valuable in pursuing cross-cultural research.

The procedure recommended by Steenkemp and Baumgartner (1998) involves doing several multiple-group confirmatory factor analyses in a series. At each progressive stage in the series, conditions are made more restrictive. The results are reviewed at each stage to determine the actions to be taken at subsequent stages. The process involves the following analytical steps:

1. In the beginning, equality of covariance matrices (\( \Sigma \)) and mean vectors (\( \mu \)) across groups is checked. If covariance matrices and mean vectors are the same across groups, no other analysis is required. The data can be pooled across countries and used for any other analysis. Steenkamp and Baumgartner (1998) suggest that in most studies, one might expect the cross-cultural data to show differences in covariance matrices (\( \Sigma \)) and/or mean vectors (\( \mu \)). Therefore, one must follow the following steps to establish measurement invariance.

2. If the equivalence of covariance matrices cannot be established, the next step involves establishing full configural invariance. This is done by restricting the pattern of non-zero and zero or close to zero factor loadings of the measurement instrument to be identical across groups.

3. If full configural invariance cannot be established, the next step is to test and see if partial. Modification indices can be examined to see which parameter could be set free.

4. The next step involves establishing full metric invariance. This is done by setting scale intervals across groups to be equal across groups.

5. If full metric invariance cannot be established, one can test to assess if partial metric invariance can be established. This is done by setting some of the scale intervals across the groups being compared to be different from others. Modification indices can be examined to see if, by setting some parameters to be free, the fit of the model could be improved.

6. The next step involves testing for full scalar invariance. This is done by restricting measurement intercepts to be equal across groups being compared.

7. If full scalar invariance cannot be established, testing for partial scalar invariance should be done by allowing some of the measurement intercepts to be different from those in other groups being compared.

8. The next step involves establishing full factor covariance invariance.

9. If full factor covariance invariance cannot be established, an attempt could be made to test for partial factor covariance invariance. This is done by setting some of the factor covariances to be free.

10. The next step involves establishing full factor variance invariance.

11. If full factor variance invariance cannot be established, testing for partial factor variance invariance should be attempted. This is done by setting some of the factor variances to be free.

12. The next step involves establishing full error variance invariance.

13. Finally, if full error variance invariance cannot be established, testing for partial error variance invariance should be attempted. This is done by setting some of the error variances to be free.

As outlined above, at each subsequent stage, the number of constraints imposed on the model becomes more restrictive. If at any stage, full invariance cannot be established across the groups being tested, the procedure calls for testing to assess if partial invariance can be established. This is done by freeing some of the parameters in the model. The selection of the parameter(s) that can be set free for testing partial invariance is guided by both empirical and theoretical considerations. Modification index (MI) is a good indicator that can be used to guide the selection of parameters to be set free at each stage based on empirical consideration. The index shows how much the \( \chi^2 \) will change and improve the overall fit of the model if that particular parameter is set free. Generally, parameter(s) showing large values of MI should be selected for this setting free process so as to test for partial invariance.

It is very important that theoretical implications of setting specific parameters free should be considered. Only if the selection can be justified on theoretical consideration should parameters be set free to test for partial invariance.
METHOD

Subjects

Slightly different data collection methods were used in each of the five countries studied. Lack of comparable resources in all countries (e.g., mailing lists, effectiveness of postal system) influenced our choice of method used in each country. However, this should not diminish the value of this research since its primary objective was to ascertain the reliability and establish measurement invariance of the fashion innovativeness scale across different cultures.

In India, France, and the United States, students enrolled in local universities were recruited to assist in the data collection. They asked their parents, family members, and others to complete the survey questionnaire. A total of 195, 450, and 423 respondents completed the survey in these three countries, respectively. Of the completed questionnaires acquired in this way, there were in India, France, and the United States, respectively, 172, 428, and 399 respondents whose responses were usable for the study. In India, respondents were from the East Indian cities of Kolkata and Kharagpur; in France, from the city of Angers (a city often selected by French commercial marketing researchers since Angers has the reputation of providing an excellent representation of France in general); and in the United States, the survey took place in the Greater New York Metropolitan area.

In China, the Circulation Bureau of the Postal Service in Shandong Province helped obtain a list of magazine and newspaper subscribers in the province’s capital city of Jinan. Selected households on this list were surveyed with mail-in questionnaires for a small monetary incentive. A total of 549 completed questionnaires were received, of which 523 were usable for this study. The Korean survey relied on the services of a professional market research company for its data collection. The research firm used its panel of consumers from Seoul as its sampling frame. Questionnaires were personally delivered by field personnel hired by the firm to selected participants who then completed the survey individually while field surveyors waited outside. A total of 666 responses were obtained this way, of which 639 were usable for the present study and included in the analysis.

A demographic profile of samples from the five countries is given in Table 1. Although statistical tests indicate that samples were not matched in terms of demographic profile, simple inferences can be drawn from the data. The Indian sample could be considered to be very different from others in terms of gender makeup, marital status, employment status, and education. As shown in the table, samples from all countries had a greater proportion of females except the sample from India where only 43% of participants were females. Slightly more than 60% of respondents in all countries were married. However, the percentage of those who were divorced or separated was greater for the American (8.9%) and French (5.7%) samples. Close to two-thirds of respondents were employed full time in all countries except India. Indian, American, and French samples had a greater proportion of college educated participants than samples from China and Korea. Dissimilarity in the demographic profile of the samples will prevent us from exploring full or partial scalar invariance since there is a possibility that demographic variables influence fashion innovativeness.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Demographic Profile of Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Korea %</td>
</tr>
<tr>
<td>Male</td>
<td>49.0</td>
</tr>
<tr>
<td>Female</td>
<td>51.0</td>
</tr>
<tr>
<td>Marital status</td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>61.2</td>
</tr>
<tr>
<td>Widowed</td>
<td>0.9</td>
</tr>
<tr>
<td>Separated/divorced</td>
<td>1.5</td>
</tr>
<tr>
<td>Never married</td>
<td>36.2</td>
</tr>
<tr>
<td>Employment status</td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>66.5</td>
</tr>
<tr>
<td>Part-time</td>
<td>15.1</td>
</tr>
<tr>
<td>Retired</td>
<td>1.2</td>
</tr>
<tr>
<td>Not employed</td>
<td>17.3</td>
</tr>
<tr>
<td>Education level</td>
<td></td>
</tr>
<tr>
<td>Grammar school or less</td>
<td>3.8</td>
</tr>
<tr>
<td>Some high school</td>
<td>3.5</td>
</tr>
<tr>
<td>High school completed</td>
<td>29.2</td>
</tr>
<tr>
<td>Some college</td>
<td>10.1</td>
</tr>
<tr>
<td>College completed</td>
<td>45.4</td>
</tr>
<tr>
<td>Some graduate study</td>
<td>2.7</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>5.3</td>
</tr>
<tr>
<td>Age (mean)</td>
<td>37.59</td>
</tr>
<tr>
<td>N</td>
<td>639</td>
</tr>
</tbody>
</table>

Note: Totals do not add up to 100% due to rounding errors.
### Instrument

American and Indian respondents received the original English version of the survey instrument. Although English is not one of the many native Indian languages, it is nonetheless the language commonly used by those associated with government, business, and higher education. Since Indian respondents mostly belonged to families with government, business, and higher education, use of an English language questionnaire did not pose any problem. Korean, Chinese, and French respondents received Korean, Mandarin Chinese, and French versions of the survey instrument, respectively. Translations into Korean, Mandarin Chinese, and French were carried out by bilingual professional translators for each language. Back translations were used to cross check and validate translation accuracy. Disagreements between translators and back translators for each language were resolved by mutual discussions. The present study focused on establishment of the reliability and cross-national invariance of a fashion innovativeness scale (see Appendix A), which is a slightly modified version of Goldsmith and Hofacker’s (1991) design fashion innovativeness scale. The scale relies on responses to five-point ‘strongly agree – strongly disagree’ Likert items.

### Analysis

A two-part procedure was employed to assess reliability and measurement invariance of the fashion innovativeness scale across Korea, China, India, the United States, and France. In the first part, traditional analysis comprising of traditional factor analysis and reliability measurement were carried out to assess reliability of the scale within the five countries. In the second part, a multiple-step procedure using confirmatory analysis as recommended by Steenkemp and Baumgartner (1998) was employed to establish measurement invariance across societies.

Exploratory factor analysis of the eleven items representing the fashion innovativeness scale was carried out separately in each of the five countries, and then done together for the total five-country sample as the first step of the procedure. In two of the five countries, two items consistently had low loadings on the main factor. A review of the two items suggested the possibility of respondent confusion due to complex structure of the statement and wording used. Therefore, these two items were dropped from further consideration. Exploratory factor analyses of the remaining nine items were done again. For three of the five countries (France, Korea, and the United States), this exploratory factor analysis produced one factor. For the remaining two countries (China and India), this analysis produced two factors. Since the original scale was conceived as a single factor scale, factor analysis was repeated for these two countries by forcing a one-factor solution for each. Final factor loadings, scale reliabilities, and scale descriptive characteristics are given in Appendix A. As shown in the Appendix, the fashion innovativeness scale has high reliabilities in all five countries included in this study. The reliabilities of the scale ranged from .79 to .84. The mean and standard deviations of the scale were as follows: Korea, mean = 23.46, S.D. = 6.52; China, mean = 26.56, S.D. = 7.29; India, mean = 25.78, S.D. = 5.80; United States, mean = 25.33, S.D. = 6.55; and France, mean = 23.74, S.D. = 6.44.

The structural equation modeling program LISREL 8 (Joreskog and Sorbom 1993) was used to do confirmatory factor analyses in sequential order outlined by Steenkemp and Baumgartner (1998). At each stage, the overall fit of the model was assessed by using multiple indicators (Bagozzi and Yi 1988). We used the same set of indicators used by Steenkemp and Baumgartner (1998), in addition to traditional indicators such as $\chi^2$ and associated significance level, standardized root mean square residual (SRMR), root mean square of approximation (RMSEA), consistent Akaike information criterion (CAIC), comparative fit index (CFI), goodness of fit index (GFI), normed fit index (NFI), and non-normed fit index (NNFI). It is generally accepted that a value of 0.9 or above for CFI, GFI, NFI, and NNFI and a value of .05 or less for SRMR indicate a good fit of the model considered. Also, a value of .08 or less for RMSEA is considered to indicate an acceptable fit of the model. For situations involving comparisons, a lower value for CAIC is considered to represent a better fit of the model. Comparisons of latent means were not attempted in the present case because the samples were convenience samples and were not truly representative of their respective populations.

The test for the equality of covariance matrix across the five countries included in the study ($\Sigma$) produced a $\chi^2$ of 868.71 with 180 degrees of freedom ($p < .001$), SRMR of 0.081, RMSEA of 0.096, CAIC of 1677.82, CFI of 0.93, GFI of 0.92, NFI of 0.91, and NNFI of 0.93. These results (see Table 2) show that the covariance matrices for the fashion innovativeness scale are not identical across the five countries. This finding also suggests that additional analyses should be carried out to establish measurement invariance.

<table>
<thead>
<tr>
<th>Equality of $\Sigma$</th>
<th>$\chi^2$</th>
<th>df</th>
<th>SRMR</th>
<th>RMSEA</th>
<th>CAIC</th>
<th>CFI</th>
<th>GFI</th>
<th>NFI</th>
<th>NNFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Configural Invariance</td>
<td>868.71</td>
<td>180</td>
<td>.081</td>
<td>.096</td>
<td>1677.82</td>
<td>.93</td>
<td>.92</td>
<td>.91</td>
<td>.93</td>
</tr>
<tr>
<td>Full Metric Invariance</td>
<td>485.03</td>
<td>135</td>
<td>.036</td>
<td>.079</td>
<td>1672.53</td>
<td>.97</td>
<td>.96</td>
<td>.95</td>
<td>.95</td>
</tr>
<tr>
<td>Partial Metric Invariance</td>
<td>592.87</td>
<td>167</td>
<td>.076</td>
<td>.080</td>
<td>1518.86</td>
<td>.96</td>
<td>.95</td>
<td>.94</td>
<td>.95</td>
</tr>
<tr>
<td>Full Factor Variance Invariance</td>
<td>573.50</td>
<td>166</td>
<td>.063</td>
<td>.078</td>
<td>1499.34</td>
<td>.96</td>
<td>.96</td>
<td>.94</td>
<td>.96</td>
</tr>
<tr>
<td>Full Error Variance Invariance</td>
<td>585.79</td>
<td>170</td>
<td>.076</td>
<td>.078</td>
<td>1480.26</td>
<td>.96</td>
<td>.96</td>
<td>.94</td>
<td>.96</td>
</tr>
<tr>
<td>Final Partial Error Variance Invariance</td>
<td>1125.37</td>
<td>206</td>
<td>.075</td>
<td>.110</td>
<td>1750.85</td>
<td>.91</td>
<td>.91</td>
<td>.89</td>
<td>.92</td>
</tr>
</tbody>
</table>

The test for configural invariance was the first in the series of confirmatory factor analyses. Although the $\chi^2$ for this analysis was significant ($\chi^2 = 485.03$, df = 135), other indicators suggest an acceptable fit of the model (SRMR = 0.036, RMSEA = 0.079, CAIC = 1672.53, CFI = 0.97, GFI = 0.96, NFI = 0.95, and NNFI = 0.95). Within country, standardized factor loadings ranged from 0.34 to 0.77 and all of them were significant. These results suggest that the fashion innovativeness scale had the same factor configuration across the five countries.

In the next step, full metric invariance was tested by constraining the factor loadings to be the same across all countries. This model produced a $\chi^2$ of 592.87 (df = 167), SRMR = 0.076,
RMSEA = 0.080, CAIC = 1518.86, CFI = 0.96, GFI = 0.95, NFI = 0.94, and NNFI = 0.95. The increase in \( \chi^2 \) from the previous model was significant (\( \Delta \chi^2 \) (32) = 107.84, \( p < .01 \)) although some other indicators suggest an improvement in the overall fit of the model. A review of the modification indices suggested that relaxing one constraint might improve the overall fit of the model. Therefore, a partial metric invariance model was tested by freeing one of the factor loadings for France (modification index = 19.59). This modified model produced a \( \chi^2 \) of 573.50 (df = 166), SRMR = 0.063, RMSEA = 0.078, CAIC = 1499.34, CFI = 0.96, GFI = 0.96, NFI = 0.94, and NNFI = 0.96. A comparison of the partial metric invariance model with the configural invariance model shows a significant increase in \( \chi^2 \) (\( \Delta \chi^2 \) (31) = 105.47, \( p < .01 \)). Other indicators suggest that the partial metric invariance model had a better fit compared with the configural invariance model. An analysis for establishing scalar invariance (comparison of the measurement intercepts) was not attempted because the samples in the five groups were not matched and any observed difference would be meaningless.

The next step in the process involved testing for full factor variance invariance. This was done by constraining factor variances to be the same across the five countries. However, this hypothesis could not be sustained because the change in \( \chi^2 \) from the previous model was significant (\( \Delta \chi^2 \) (4) = 12.29, \( p < .01 \)). A review of the modification indices suggested that the overall fit of the model could not be improved by setting the variance for any country to be free.

Finally, a full error variance invariance model was tested by constraining the variance of error terms to be the same across the five groups. This model produced a \( \chi^2 \) of 1125.37, df = 206, SRMR = 0.075, RMSEA = 0.11, CAIC = 1750.85, CFI = 0.91, GFI = 0.91, NFI = 0.89, and NNFI = 0.92. All indicators of the overall fit of the model suggest that the full error variance invariance model was not an improvement over the previous model. Based on a review of the modification indices, fourteen error terms (one at a time in sequential order) were set free to test for the partial error variance invariance model. This model produced a \( \chi^2 \) of 555.41 (df = 192), SRMR = 0.060, RMSEA = 0.066, CAIC = 1230.59, CFI = 0.96, GFI = 0.96, NFI = 0.95, and NNFI = 0.97. This model is an improvement over the previous model. It is also an improvement over the partial metric invariance model.

Overall, the results of the multiple step confirmatory factor analysis suggest that the fashion innovativeness scale can be used to study consumers from diverse cultural backgrounds.

**DISCUSSION**

Given the managerial and academic significance of fashion innovativeness as rising income and globalizing media make consumers more fashion conscious, the present study assessed the psychometric properties and measurement equivalence of the fashion innovativeness scale in five countries that included the United States, France, China, Korea, and India. Growing demand for the understanding of consumer behavior in different cultures calls for research inquiries into the applicability of consumer behavior scales (e.g., fashion innovativeness, consumer vanity) to diverse cultures. The five countries included for the present study represent important societies that are distinctive in culture and dynamic in economic growth. While these countries are major global players in terms of population and economic power, they can also be grouped into two distinctive cultures along the individualistic versus collectivistic dimension. In that perspective, a timely inquiry into the universal applicability of the fashion innovativeness scale will stimulate fashion-related consumer research in the global context.

This research attempted to establish measurement invariance of the fashion innovativeness scale across five culturally diverse countries. Analysis of the data from the five countries supports the notion that fashion innovativeness is a universal consumer construct that can be used to study aspects of consumer behavior in multiple cultural contexts. While this research found that not all measurement properties of the fashion innovativeness scale were similar across the five countries, the value of the fashion innovativeness scale in terms of reliability is clearly demonstrated. Researchers studying fashion innovativeness might, therefore, find this scale to be useful when engaged in comparative analysis.

The findings of this study have implications for marketers of goods and services that are linked to fashion innovativeness of consumers. Knowledge about the scale’s properties across cultures is an important research tool for managers interested in learning about preferences of consumers across cultures. The nature of global fashion diffusion can be better understood as we gain more insight into the demographic and behavioral characteristics of the fashion innovators and how they respond to innovative communication. Fashion innovators are consumer change agents that affect how far and how fast an innovation diffuses; they have the most influence at the introduction and early acceptance stages of the fashion cycle (Kaiser 1997; Workman and Studak 2005). The adoption of the fashion innovativeness scale for future research can help identify fashion innovators and some key factors that influence their psychology and behavior. The fashion innovativeness scale can also be of value to other researchers who would like to study innovativeness in other areas of interest across cultures and how such constructs relate to other aspects of consumer behavior.

Although this research did not address the issue of what is considered to be fashionable in different countries, marketers of fashion goods might also be interested in knowing this. With the globalization of media and instant availability of information via the Internet, one could speculate that fashion trends would also be global in nature. The success of global fashion brands and innovative products (e.g., i-phone) provides support for this line of reasoning. However, fashion is closely related to beauty and obviously what it is that people consider to be beautiful is closely tied to culture, as well as idiosyncratic personal preferences. It will be of interest to see if such cross cultural differences hold in what is considered to be fashionable.

Like much other research in this field, the present study has its limitations. Although the procedure recommended by Steenkemp and Baumgartner (1998) incorporates a test for the equivalence of mean of the latent construct across cultures, such a comparison was not attempted in the present research since the samples from the five countries in our study were convenience samples and not truly representative of their respective populations; therefore, any comparison of latent means would provide limited information. Yet, now that that applicability of the fashion innovativeness scale has been demonstrated, future researchers might attempt to obtain and then utilize more representative samples across countries to study differences, and/or similarities, in innovativeness-driven consumption behavior.

**REFERENCES**


### Appendix A

Factor Loadings and Scale Reliabilities

<table>
<thead>
<tr>
<th></th>
<th>Korea</th>
<th>China</th>
<th>India</th>
<th>U.S.</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. In general, I am among the first in my circle of friends to buy a new fashion when it appears.</td>
<td>.684</td>
<td>.669</td>
<td>.667</td>
<td>.710</td>
<td>.762</td>
</tr>
<tr>
<td>2. In general, I am the last in my circle of friends to know the latest fashions.</td>
<td>.559</td>
<td>.421</td>
<td>.491</td>
<td>.510</td>
<td>.492</td>
</tr>
<tr>
<td>3. I like to buy fashions that look fresh, new, and original.</td>
<td>.715</td>
<td>.710</td>
<td>.596</td>
<td>.675</td>
<td>.627</td>
</tr>
<tr>
<td>4. If I heard that a new fashion was available in a store, I would be interested enough to buy it.</td>
<td>.785</td>
<td>.780</td>
<td>.774</td>
<td>.771</td>
<td>.681</td>
</tr>
<tr>
<td>5. I like to buy fashions put out by brand new designers.</td>
<td>.672</td>
<td>.726</td>
<td>.693</td>
<td>.706</td>
<td>.755</td>
</tr>
<tr>
<td>6. I like to look at newly available fashions.</td>
<td>.661</td>
<td>.571</td>
<td>.610</td>
<td>.685</td>
<td>.786</td>
</tr>
<tr>
<td>7. I know the new kinds of fashions before other people do.</td>
<td>.728</td>
<td>.603</td>
<td>.625</td>
<td>.742</td>
<td>.781</td>
</tr>
<tr>
<td>8. I usually prefer new fashions over classic, older fashions.</td>
<td>.603</td>
<td>.358</td>
<td>.446</td>
<td>.554</td>
<td>.418</td>
</tr>
<tr>
<td>9. If a friend has newly available fashionable clothes, I would ask to see them.</td>
<td>.576</td>
<td>.594</td>
<td>.592</td>
<td>.624</td>
<td>.633</td>
</tr>
<tr>
<td>Mean</td>
<td>23.46</td>
<td>26.56</td>
<td>25.78</td>
<td>25.33</td>
<td>23.74</td>
</tr>
<tr>
<td>S.D.</td>
<td>6.52</td>
<td>7.29</td>
<td>5.80</td>
<td>6.55</td>
<td>6.44</td>
</tr>
<tr>
<td>Alpha</td>
<td>.84</td>
<td>.79</td>
<td>.79</td>
<td>.84</td>
<td>.84</td>
</tr>
<tr>
<td>N</td>
<td>639</td>
<td>523</td>
<td>172</td>
<td>399</td>
<td>428</td>
</tr>
</tbody>
</table>
Worlds Apart: Collecting Primary Data on AIDS from Semi-literate Indian Truckers Speaking Different Languages
Joseph Paniculangara, University of Central Florida, USA

ABSTRACT
Experimental and survey research was undertaken with respondents who differed in literacy and communicated in different languages. The topic of research was delicate, as the thought processes of Indian truckers regarding AIDS and their paid-for sexual encounters was elicited. Certain procedures not usually followed in academic research had to be implemented in order to collect data from 99 male truckers intercepted at rest stops, along highways and a trucking terminal. Some of the results from data analysis provide support for hypotheses based on Terror Management Theory and indicate the importance of grounding research in the context of the respondent’s lifestyle.

The author’s first project in February 2004, while working in the quantitative division of one of India’s leading market research agencies, involved a survey of Indian truckers to determine their media habits. Some of the open-ended responses to a question on unaided recall showed that Indian truckers had retained messages from outdoor media urging them to use a condom. However, a plethora of findings indicate that despite the resources allocated to AIDS awareness programs for Indian truckers, it appears that they are not taking precautions against being infected with HIV. This is especially intriguing since placing messages in outdoor media targeted at Indian truckers should be quite effective.

Indian truckers have been identified as one of the segments of the Indian population that is especially vulnerable to AIDS (Bryan, Fisher, and Benziger 2001). In fact, Indian truckers are referred to as a “bridge” population; in that they spread the infection from the segments who are most vulnerable to segments not considered as vulnerable. Population segments that may not be considered vulnerable include the wives and unborn children of Indian truckers, while segments who may be highly vulnerable are those men and women who have sex for money - in India the term used for them is Commercial Sex Workers (henceforth referred to as CSW). Indian truckers may be a primary conduit for the spread of AIDS in both types of population segments.

It is estimated that 14% of Indian truckers understand that using condoms reduces their chance of getting AIDS (Bryan, Fisher, and Benziger 2001). Therefore, they spread the infection from the segments who are most vulnerable to segments not considered as vulnerable. Population segments that may not be considered vulnerable include the wives and unborn children of Indian truckers, while segments who may be highly vulnerable are those men and women who have sex for money - in India the term used for them is Commercial Sex Workers (henceforth referred to as CSW). Indian truckers may be a primary conduit for the spread of AIDS in both types of population segments.

It is estimated that 14% of Indian truckers understand that using condoms reduces their chance of getting AIDS (Bryan, Fisher, and Benziger 2001). Therefore, they spread the infection from the segments who are most vulnerable to segments not considered as vulnerable. Population segments that may not be considered vulnerable include the wives and unborn children of Indian truckers, while segments who may be highly vulnerable are those men and women who have sex for money - in India the term used for them is Commercial Sex Workers (henceforth referred to as CSW). Indian truckers may be a primary conduit for the spread of AIDS in both types of population segments. Indian truckers have been identified as one of the segments of the Indian population that is especially vulnerable to AIDS (Bryan, Fisher, and Benziger 2001).

Apart from Indian truckers, this research may be applicable to populations that live under mortality salience such as the military on active duty, first response personnel including police, firefighters and paramedics, and perhaps populations living under perceived conditions of war.

Mortality Salience
Terror Management Theory (TMT) addresses the question of the roots of self-esteem as experienced by people. It makes the case that people are unique in their awareness that their lives are finite and their quest for immortality must inevitably be thwarted. This knowledge of certain death induces the construction of an elaborate cultural framework that outlives them, thus giving themselves a semblance of immortality. This cultural framework has been called the cultural worldview in TMT. People derive
self-esteem from living up to the norms of their shared cultural worldview. However, the importance people accord to different aspects of their cultural worldview differs – some people derive self-esteem more from a particular domain than other people do (Pyszczynski et al. 2004). Reminders of mortality or conditions of heightened mortality salience lead to defense of the cultural worldview against influences that are perceived as not being in conformity with the worldview (Greenberg, Solomon, and Pyszczynski 1997; Arndt, Greenberg, and Cook 2002). People under mortality salience also strive to increase their self-esteem by engaging in activities that they consider crucial in their worldview (Goldenberg et al. 2000). Self-esteem is a dispositional construct, so people with a high level of trait self-esteem may be less susceptible to heightened mortality salience (Harmon-Jones et al. 1997).

Mortality salience has been frequently manipulated by asking participants to respond to two open-ended questions about their own deaths (Harmon-Jones et al. 1997; Ben-Ari, Florian, and Mikulincer 1999; Arndt, Greenberg, and Cook 2002). Other manipulations have been effective at inducing mortality salience, such as asking participants to respond to true-false questions related to death (Goldenberg et al. 2000) and asking American participants to describe their memories of the events of September 11th, 2001 (Ferraro, Shiv, and Bettman 2005). A variety of methods, including mere physical proximity to a funeral home (Jonas et al. 2002) have been used to heighten mortality salience. The effects of mortality salience do not result immediately. It appears that people’s immediate response is to suppress death-related thoughts which become active after a delay, when the mortality salience is supraliminal or are active immediately when the mortality salience manipulation is subliminal (Arndt, Greenberg, and Cook 2002). Thus, it would not be unreasonable to assume that the sight of a fatal accident or the rusted wreck from one would heighten mortality salience among Indian truckers. Their reaction may be to suppress thoughts of mortality but the effects would emerge after a period of time. When reminders of their mortality occur while they are driving, the effects of heightened mortality salience may be manifested when they are resting.

**H1:** Indian truckers would demonstrate heightened mortality salience even in the absence of the stimulus engendering mortality salience.

Risky behavior as a result of heightened mortality salience has been found in research that showed a predilection for risky driving for those respondents who considered driving as key to their self-esteem (Ben-Ari, Florian, and Mikulincer 1999). The authors attributed this effect to the weighting of the value of the potential gain of self-esteem with risky behavior relative to the potential loss. It must be noted that the mortality salience manipulation did not involve driving. It may be assumed that driving is important to the self-esteem of Indian truckers, leading them to exercise caution in that domain (Goldenberg et al. 2000) and an irrefutable effect wherein they tend to exhibit risky behavior in other domains (Muraven and Baumeister 2000). One could expect that risk-seeking behavior would include unprotected sex with a CSW once the truckers are no longer on the road and strive to increase their self-esteem. Sex is a domain that is crucial to many people’s level of self-esteem (Goldenberg et al. 2000).

As a result of worldview defense manifested in people under mortality salience, it could be expected that such people would evaluate more negatively those persons who do not share their worldview compared with those who do. Previous research (Harmon-Jones et al. 1997) has found that American respondents tend to judge more harshly those authors whose writings were critical of the USA when mortality salience was manipulated to be high and when the respondents level of self-esteem was lower in comparison to an experimental group whose level of self-esteem was raised. It has also been shown that worldview defense results in nationalistic tendencies (Arndt, Greenberg, and Cook 2002) and that participants tended to discount messages that ran counter to their worldview (Shehryar and Hunt 2005). Another study has indicated that when a group affiliation was perceived to be permanent, participants under mortality salience tended to defend their group by attacking a critic of their group but when group affiliation was perceived to be malleable, participants under mortality salience tended to distance themselves from the group (Dechesne, Janssen, and van Knippenberg 2000). In the same vein, another study found that participants under mortality salience would distance themselves from their ethnic group when reminded of negative aspects of that group but would identify with it when reminded of positive aspects (Arndt et al. 2002). It is hypothesized that Indian truckers under mortality salience would have a preference for people sharing their cultural worldview, which might comprise people belonging to the same occupational subculture (Rose 1988; Trice and Beyer 1993). People belonging to the same occupational subculture would be viewed more positively than others. However, since membership in occupational subcultures may be more malleable, Indian truckers under mortality salience would disassociate themselves from other truckers when reminded of negative aspects of the group.

**H2:** Indian truckers would tend to disassociate themselves from other Indian truckers when reminded of the negative aspects of their group.

Extant research on perceptions of the risk for contracting AIDS (Raghubir and Menon 1998) shows that respondents were affected by self-positivity. The authors tested this using a sample of students in East Asia who were asked to state their risk perceptions for themselves, their close friends, other college students and other types of people in the population. In general, risk perceptions increased as the relationships with the target grew more distant. That is, the risk perception of getting AIDS was lowest for the respondent indicating a self-positivity effect. Self-positivity may result from the same occupational subculture would be viewed more positively than others. However, since membership in occupational subcultures may be more malleable, Indian truckers under mortality salience would disassociate themselves from other truckers when reminded of negative aspects of the group.

**H3:** Indian truckers would show effects of self-positivity when reporting risk perceptions for AIDS, with such perceptions being least for themselves.

The above hypotheses were tested with a sample of Indian truckers intercepted on field.

**Method**

The author’s experience with Indian truckers was that despite their itinerant lifestyle, it is relatively easy to locate and collect responses from them. Truckers tend to congregate in specific locations and are more available at such times. They drink tea and talk with their peers in the industrial areas where their trucks are unloaded and loaded. They also gather in the offices of their...
employer or agent while they wait for their next load. When they park in rest areas, they sleep in or beneath their trucks to prevent theft. At such times, they are willing to participate as respondents for brief interviews and may even view the exercise as something of a diversion.

The fieldwork was conducted in the city of Chennai (formerly known as Madras), the capital of the state of Tamil Nadu, where the author spent his Christmas vacation. Before leaving on his vacation the author translated the English questionnaire into Hindi, which is the predominant language in India. However, on arrival it occurred to the author that most of the truckers he would meet would speak Tamil. Speaking Hindi to people in Tamil Nadu whose native language is Tamil, often results in ill will if not outright hostility. The author did not have sufficient fluency in Tamil to conduct research with Tamil speaking respondents. Hence, an associate who was fluent both in Tamil and the conduct of research in the field was called for.

On arrival in Chennai, the author used his intermediaries to put him in contact with the field manager of an international market research firm with an office in Chennai. The field manager provided the names and cell phone numbers of two of his freelance field investigators who were experienced in working with the trucker population in Chennai. Further, the field manager arranged for translation of the English questionnaire into Tamil and translation of the resulting Tamil questionnaire back into English. These two translations were done by different translators and the English translation of the Tamil questionnaire was checked by the author. This process was adopted to enable comparison by the author in order to check that the Tamil questionnaire to be applied to respondents conveyed the same meaning as the original English questionnaire. No significant differences in meaning were identified following such comparison. The questionnaires were printed with the English text below the Tamil translation for all questions.

Of the two freelance field investigators contacted by the author, the first was a college student who was leaving town to spend the holidays with his family. The second freelance field investigator had a university degree in Tamil culture and described his enthusiasm for participating in street theater to educate vulnerable populations about HIV/AIDS. He was fluent in Tamil and English. After interviewing this field investigator and agreeing on terms (INR 250 per day, USD 1 = INR 42 at that time), the author included him on the research procedure including a dry run of the questionnaire. Field work commenced the next day.

The author and field investigator were on the field for about four hours every day. The number of questionnaires completed per day ranged from seven to 16. The field locations were in the outskirts of the city; either rest areas or a large trucking terminal containing a number of buildings that housed trucking offices. In most of the rest areas, the facilities for personal hygiene very often consisted of a tap or pump worked by hand to provide running water. The truckers thus performed acts of personal hygiene au naturel. Mindful of the risks of typhoid, cholera and gastroenteritis, the author did not eat or drink anything on field besides boiling hot tea served in disposable plastic cups. Due to the risks of malaria, filaria and encephalitis, the author ended data collection before dusk and may even view the exercise as something of a diversion.

Every interview commenced with the field investigator approaching a trucker and asking him whether he would provide answers to a questionnaire. Very rarely would the trucker refuse. The field investigator would then read the text of the informed consent document that had been translated into Tamil. This document included an introduction of the author as a doctoral student in Marketing from the USA who was interested in the lifestyles of truckers. This piqued the interest of the truckers, which increased their cooperation. While the questionnaire was being completed, the author monitored the process within hearing distance to ensure that the research procedure was followed. This enabled the author to ensure that the text and flow of the questionnaire was adhered to, as field investigators tend to improvise or skip questions that they consider trivial. While the field investigator was interviewing the respondent, the author avoided making eye contact or communicating in any way with the respondent.

The field investigator would start the questionnaire by taking truckers through three practice questions to ensure that they understood how to provide their answers using semantic differential scales. One of the questions was, “How often do you drink tea?” with the response scale anchored by “Never” and “Always”. In order to facilitate meaningful responses, the field investigator showed a card when appropriate, on which was printed the scales along with the verbal anchors. This is a common practice followed in market research in India, used with respondents whose level of familiarity with mathematical concepts is suspect. It provides a visual depiction of equal interval scales with the anchors typed beneath the extreme scale points.

Following the three practice scales, the field investigator completed the questionnaire by asking the trucker for responses to each question in sequence. This procedure wherein the field investigator would read out the questions and write down the respondent’s answer was necessary as not all of the truckers were literate. It should be pointed out that a field investigator filling in a paper questionnaire with verbal responses provided by the respondent to questions posed by the field investigator is the common mode of conducting market research in India. Admittedly, a weakness of this mode of collecting data is the possibility that the field investigator may either verbally or non-verbally influence the respondent’s answers. On completion of the questionnaire, the field investigator thanked the trucker for participating. The author would then give the trucker a token gift for providing his time and responses. The gifts cost less than a dollar and were either a small wide-angle mirror that could be stuck on to a plain rear-view/ wing mirror including a pocket tire pressure gauge that was given to those truckers who said they had a motor scooter or motorcycle at their homes.

The manipulations for testing hypotheses were contained in different questionnaires, which had been randomized by the author before commencing the day’s fieldwork. The first manipulation was of the order of presentation of target for risk perception (self- other trucker-general population/ general population-other trucker- self). Truckers’ risk perception for themselves, their fellow truckers and the population who are not truckers was elicited to test the for the self-positivity effect. The next between-subject manipulation was the presence or absence of a verbal reminder that truckers patronized CSWs. A manipulation that is not germane to this paper was also made between-subjects. To summarize, the field experiment employed a 2 x 2 x 2 fully crossed between-subjects design. Apart from the questions relevant to experimental manipulations, the rest of the questions were common and uniformly applied to all respondents.

In ten days of fieldwork, a sample of 101 truckers was contacted. Out of these, one questionnaire was incomplete as the trucker clambered on to his passing truck which was being driven
away by his impatient assistant (cleaner), who wasn’t willing to wait for him to complete the questionnaire. A second trucker’s questionnaire was excluded as he volunteered the information that he was HIV positive and it is likely that he had superior knowledge about HIV/AIDS compared to other truckers. The author noticed that this sole trucker who admitted to being HIV positive was cooking his own meals in the cab of his truck, while the other truckers ate at roadside restaurants called dhabas. The area where this trucker had parked his truck was covered with what looked like lime powder which is often used as a disinfectant. In order to identify and eliminate HIV positive respondents who may be subject to discrimination and even ostracizing on their status becoming widely known, the last item on the questionnaire was designed to screen out respondents who were HIV positive without them explicitly identifying themselves as HIV positive. It offered the opportunity for truckers to have their completed questionnaire given to them and not be used for analysis if any one of the following was true for them: (i) you are HIV positive, (ii) you do not want your responses combined with those of other respondents and reported in a journal article, (iii) you are not sure whether your anonymity will be maintained, and (iv) you have some other reason why you do not want to provide your responses for research purposes only’. It should be noted that neither the author nor the field investigator could know which of the conditions was true had any trucker requested that he be given his completed questionnaire. None of the truckers asked for the return of their completed questionnaires and the remaining 99 questionnaires were used for analysis. The above procedures had been approved by a university-level IRB before the author left the United States.

Results

The descriptive statistics collected from the sample of 99 truckers indicated that 96% of the respondents were full-time truckers, 80% of them were married and round trips usually took more than twelve hours for two thirds of them. Their mean age of t-tests was used to compare the risk perceptions of truckers for the general population not including truckers. Risk perceptions elicited on a 100 point scale indicated that truckers believed that there was less risk for them to be involved in accidents (M = 35.88) compared to people who were not truckers (M = 57.14). This difference was significant (t(97) = 5.275, p < 0.001). Similarly truckers believed that there was less risk for other truckers to be involved in accidents (M = 42.12) compared to people who were not truckers (M = 57.37), a significant difference (t(98) = 4.602, p < 0.001). When they considered the possibility of disease, truckers ascribed lower risk for themselves (M = 26.52) compared to people who were not truckers (M = 41.1), a difference that was significant (t(98) = 4.119, p < 0.001). There seemed to exist a notion of a “healthy trucker” with risk perceptions for disease being less for other truckers (M = 28.79) when compared with those for people who were not truckers (M = 41.1), which difference was significant (t(98) = 4.059, p < 0.001). Risk perceptions were elicited separately for AIDS and showed the same pattern of self-positivity. Specifically, truckers perceived much lower risk for themselves (M = 8.04) compared to other truckers (M = 43.97), which not surprisingly was significant (t(96) = 10.539, p < 0.001). In the same vein, truckers perceived lower risk for themselves (M = 8.13) compared to people who were not truckers (M = 43.86), which was a significant difference (t(95) = 9.956, p < 0.001). It is interesting that differences in risk perceptions for respondents versus other truckers did not emerge for accidents or disease, yet were significantly different for AIDS. This was in contrast to the findings of differences in risk perceptions for other truckers and people who were not truckers for which differences were significant for accidents and disease but not for AIDS. The self-positivity effect would predict that the closer a target was to the self, the less would be the difference in risk perception. In this sample of truckers, that seemed to exist except when it came to risk perceptions of AIDS. Nevertheless, self-positivity appears to be a plausible explanation for how truckers could perceive lower risk for themselves of contracting AIDS compared with their partners.

If recurrent mortality salience did indeed affect the truckers in the sample, it is likely that their estimations of their lifespan would be less than that for the general population excluding truckers. To a direct question on whether they thought their lifespan would be longer or shorter than Indians who were not truckers, 58 truckers felt that they would have shorter lives compared to 26 who felt that they would live longer. This difference was reflected in the next question that elicited estimates of their actual lifespan in years. Truckers who felt that they would live longer than their fellow Indians excluding other truckers reported an average estimated lifespan of 75.38 years whereas the average was 69.48 years for those who envisaged a shorter lifespan for themselves. This difference approached significance in a one-way ANOVA (F(1,82) = 3.434, p = 0.067). These results must be treated with caution as the cell sizes were not equal although there was no difference in the variances of the two groups.

In order to identify the root of this depressing estimate of their own lifespan versus that of their fellow Indians, a regression procedure was adopted with the estimate of their lifespan as the dependent variable. Their estimate of the lifespan of other Indians who were not truckers was included as a covariate to account for the possibility that truckers who estimated that Indians lived longer might also foresee living longer themselves. The other variables entered into the equation were the truckers’ estimates of perceived risk of accident, disease and HIV. The overall model was significant explaining about 38.8% of the variance in the dependent variable (F(4, 79) = 12.52, p < 0.001). However, the
individual predictors related to risk perception did not reach significance with only the perceived risk for HIV infection showing evidence of approaching significance (t(82) = 1.808, p = 0.074). Risk perceptions for disease and accident did not have a significant effect on the estimates of their own lifespan by truckers. As suspected, their estimates of the lifespan of people who were not truckers had a significant effect (t(82) = 6.036, p < 0.001). Overall, it appears that most truckers do estimate that they will have shorter lives than Indians who are not truckers but the factors affecting these estimates are not clear. It does appear that those who perceive higher risk of HIV infection do estimate that they will not live as long.

One factor that could impact the effects of perceived risk of accident could be the extent of control the truckers think they have over their trucks. This was examined by regressing on the estimated lifespan of the respondents, the covariate of estimated lifespan of Indians other than truckers and the independent variables of perceived risk of having an accident as well as perceived control of the truck while driving. The overall model was significant (F(3, 80) = 15.44, p < 0.001) and accounted for about 36.7% of the variance in the dependent variable. As before, the covariate of perceived lifespan of Indians other than truckers was significant (t(82) = 5.88, p < 0.001) but so were the perceived risk of having an accident (t(82) = 2.192, p < 0.05) and perceived control over the truck (t(82) = 2.255, p < 0.05). In order to interpret which of the two independent variables played a greater role, the coefficients were examined which yielded the insight that control over the truck played a marginally greater role than perceived risk of having an accident (β = 0.204 and β = 0.198 respectively).

A similar explanation may apply to the perceived risk for AIDS with truckers perceiving that they had more control over the circumstances that could lead to such infection. The regression with estimated lifespan of the trucker as the dependent variable, perceived lifespan of Indians other than truckers as a covariate and the two independent variables of risk of AIDS infection and perceived control over the circumstances, was significant and explained about 35.3% of the variance in the dependent variable (F(3, 79) = 14.384, p < 0.001). Surprisingly, the effect of perceived control over the circumstances leading to AIDS was not significant, although the perceived lifespan of Indians other than truckers was significant (t(81) = 5.666, p < 0.001) as well as the perceived risk of AIDS (t(81) = 3.04, p < 0.01).

An examination of differences in perception of risk for the respondents indicated that they experienced heightened risk for death due to accident (M = 36.04) compared to death due to AIDS (M = 8.04). This difference was significant (t(96) = 8.788, p < 0.001).

TMT predicts that truckers experiencing mortality salience would react to a reminder of negative aspects of a group they belonged to by distancing themselves from the group. A between-subjects manipulation in this study was a reminder that “many truckers have sex with Commercial Sex Workers” meant to serve as a test of that hypothesis. Half of the respondents received this reminder while the other half did not. Since this reminder was theorized to affect not only the respondent’s perceptions of risk for other truckers but also himself, MANOVA was used to compare the two groups of respondents (differing in whether they received the reminder or not) with respect to the weighted aggregate of risk perceptions. Group sizes were equal (n=47) and covariance matrices did not differ to a statistically significant degree (Box’s M = 33.327, p = 0.960). Overall, differences among respondents exposed to the reminder or not exposed to it, accounted for 5.2% ($\eta^2$) of the total variance in the multivariate scores (Wilks’ $\lambda$ = 0.948, F (9, 84) = 0.512, n.s.) Since no significant differences were found in the MANOVA, there does not appear to be support for the hypothesis that reminding the respondent of negative aspects of the trucker population would cause him to distance himself from it in his responses.

**Discussion**

Support was found for the first hypothesis in that even in the absence of an explicit mortality salience manipulation, Indian truckers seemed to be cognizant of their mortality as demonstrated in their lower estimates of their lifespan. The source of this pessimistic outlook seems to have more to do with their perceptions of risk for AIDS with the truckers feeling that they have less control over contracting AIDS. The results of a different regression model indicated that truckers have little faith in the efficacy of condoms in preventing infection with AIDS. In contrast, despite their awareness of the unsafe conditions on Indian roads and consequent accidents, truckers’ perceptions of risk for accidents did not have an effect on their estimated lifespan, possibly due to the control they felt they had over their trucks.

Despite their having to drive on unsafe roads and perhaps having unprotected sex with CSWs, Indian truckers demonstrated the effects of self-positivity with them judging their risk perceptions as less than those of others. This may have been an inadvertent result of prompting by the field investigator, who very often cited “college students” as an example of Indians who are not truckers. Indian truckers seem to have some antipathy towards college students, attributing increased careless driving to college students. One trucker stated with earnestness that the leading cause of death among college students is suicide, as they keep falling in love and then they commit suicide. Nevertheless, truckers show strong self-positivity when comparing themselves to other truckers, which is possibly why they feel that their acts of unprotected sex will not lead to any repercussions, even when they believe their partners are infected with AIDS.

The challenges of collecting data from respondents who are semi-literate and speak diverse languages were mostly dealt with in this study. Yet, there were some unresolved problems such as some truckers’ refusal to answer questions related to lifespan. It appeared that talking about death could be seen as inviting ill fortune, as Indian truckers are extremely superstitious. They are also very religious and in the religions that they follow, death may be seen as a stage in a cycle of birth and death (Maheswaran and Agrawal 2004). Thus, it may be that truck drivers do not fear death as the end of their lives but rather as an intermediate stage and actions that may lead to death such as having unprotected sex with a CSW may not be feared. Perhaps Indian truckers believe that if their destiny is to die at a particular time, then they will also believe that if it is not their time to die, nothing they do will alter this destiny including having unprotected sex.

**REFERENCES**


Bryan, Angela D., Jeffrey D. Fisher and T. Joseph Benziger...
Why is so much effort required to convince ourselves to engage in activities which we know will eventually make us the happiest? We know how good we will feel after exercising and the multitude of benefits we will reap from developing a regular exercise program, and yet it often takes all of our will and some serious self-deliberation to convince ourselves to put on those running shoes and hit the gym. Research on self-regulation has traditionally pointed fingers at the immediate hedonic experience afforded by indulging in the short-term temptation and putting off the long-term goal (turning on the TV and relaxing on the couch instead of putting on those running shoes) as being the reason self-regulation requires effort. Recent research, however, has attempted to dig deeper in order to more fully explain the underlying mechanism, besides the mere availability of a hedonically appealing short-term indulgence, that makes it so difficult to exert control over ourselves.

This special session presents streams of research which suggest that there exists a certain “stickiness” inherent in mind states: once a certain mental focus is adopted, there is an inertia to stay in that state of mind. This “stickiness” can either be a force against which individuals must struggle in order to exert control over themselves, or a force that may in a way aid in maintaining a productive state of mind. The first two papers demonstrate the stickiness of certain situations: the first in regards to attentional biases toward temptations, and the second with the inertia of the experience of motion. The final paper demonstrates that since mindsets are sticky, switching between mindsets consumes self-regulatory resources.

Ramanathan and Lu present evidence that the salience of incentives of indulgence and the difficulty of averting attention away from the temptation drives impulsive behavior and overindulgence. The first study, results of a visual probe task found that it was the inability of individuals to avert attention away from a tempting target that drove subsequent indulgent behavior. The second study also used a visual probe task to demonstrate that strong attentional biases drive fixation on a temptation which results in stronger approach reactions toward the temptation, recurrence of states of desire over time, and stickiness to such states once activated.

Stickiness of states may also be used to one’s advantage if the state facilitates task engagement. Chugani, Raghunathan, and Zhang illustrate that individuals who perceive themselves to be “in motion” (e.g. engaged in a task) exhibit a propensity to maintain that motion. The first study found that individuals in a motion state exhibit a higher propensity to choose to engage in a subsequent task and proceed through that task at a faster rate than individuals at rest. The second study showed that taking away the experience of motion mitigates the propensity of those in a motion state to maintain their motion, thus breaking through the stickiness of the motion state.

If mindsets are sticky, as suggested by the second paper, then switching between mindsets should require effort. Vohs and Hamilton show just that in a series of three studies. The authors propose that switching between mindsets requires the use of executive functions and thus consumes self-regulatory resources. The three studies illustrate that individuals who switch between promotion vs. prevention, locomotion vs. assessment, and abstract vs. concrete styles of operating exhibit more drained self-regulatory resources than those who maintain a constant mindset.

All papers in this special session contain collected data from at least two studies and are in the final stages of completion. Together, they shed more light on why self-regulation may require so much energy and thus contribute to a productive dialogue in further uncovering the dynamics of self-regulation.

Why One Can’t Stop Looking at that Temptation: Dynamics of Attentional Biases in Self-Control Dilemmas
Suresh Ramanathan, University of Chicago
Jun Lu, University of Chicago

LONG ABSTRACT
Why do people over-indulge? What prompts a person not just to act on impulse but to do so repeatedly in a manner counter to one’s self-interest? A variety of theories have been ventured in the literature. One view, held by behavioral economists, is that such acts of excessive impulsivity may be attributed to extreme hyperbolic discounting. While this may describe the extent to which people may value the rewarding aspect of indulgence, it does not tell us much about the underlying psychological process. Two views have emerged in the literature in this regard. An affect-based explanation is that such indulgences may cause spontaneous activation of lower-order affective reactions that then guide behavior (e.g., Shiv and Fedorikhin 1999, 2002). On the other hand, a motivation-based explanation is that rewards carry high incentive value and activate hedonic goals that strengthen over time, leading to over-indulgence (e.g., Ramanathan and Menon 2006). In this paper, we provide additional support for an incentive-salience argument, showing that impulsive behavior and overindulgence are driven by two different forms of attentional bias towards temptations, despite having healthier options that are rated as equally liked and are equally vivid and attractive.

In the first study, participants first completed a scrambled sentence task that was either neutral or designed to activate the need for something sweet. Stimuli consisted of 18 color photographs of tempting desserts (e.g., ice-cream, lemon meringue, chocolate cake), each paired with a photograph of a sweet but healthy option (fruit salads, cut fruits). Each picture pair was chosen on the basis of matched liking, vividness and attractiveness as well as size. Pictures were also matched as far as possible on colors. There were an additional 18 pairs of pictures of flowers and vacation spots that were rated as equally pleasant and likeable but had no immediate incentive salience. Eight pairs of neutral objects (e.g., shoes, ties) were used on practice rounds. Picture pairs were displayed side by side. A small black dot probe appeared in either the left or right positions on every trial. The task consisted of 16 practice trials, followed by 64 experimental trials in two blocks of trials, presented in a new random order in each session. Each picture pair was presented four times, so that pictures and probes appeared equally often on the left and right sides. Picture pairs were presented for either 100 ms or 1250 ms on the screen after a fixation cross that appeared for 500, 750 or 1250 ms at random. They were followed by the dot probe that appeared in one of the two positions and remained on screen until the respondent’s response. Attentional bias scores were computed for each participant by subtracting mean RTs to probes replacing pictures of desserts from the mean RTs to probes replacing the pictures of fruits. Positive values indicate greater vigilance for
The Inertia of Motion
Sunaina Chugani, UT Austin, USA
Raj Raghunathan, UT Austin, USA
Ying Zhang, UT Austin, USA

LONG ABSTRACT

We posit that Newton’s first law – an object at rest (motion) stays at rest (motion) unless acted on by an outside force – has parallels in the human realm. Specifically, individuals in a state of psychological motion (e.g. who perceive that they have begun a task) will exhibit a greater propensity to maintain the motion state (e.g. by engaging in a subsequent task) than those in a state of rest. This “Inertia of Motion Hypothesis” predicts that an individual in a state of motion will (1) exhibit a greater propensity to engage in a subsequent task and, due to the greater readiness for motion, (2) exhibit a faster rate of progress through a given task. Two studies test these predictions.

In Study 1, participants were seated at separate computers and were asked to answer some simple demographic questions. Upon completion, half were told that they had completed the first section of the study (motion state condition), and the other half were told that the demographic questions were merely preliminary and that they had not yet started the study (rest state condition). Both groups were then informed that they would be required to wait for about five minutes until all participants were ready to proceed. In addition, participants were told that, if they wished, they could engage in an optional task while waiting by clicking on an icon at the bottom of the screen. The optional task consisted of word puzzles in which participants had to create as many words as possible from a string of letters presented to them. The amount of time it took for participants to click on the optional task icon served as a measure for their propensity to engage in a subsequent task. The rate at which participants generated the words in the task was taken as their rate of progress through the task. Results showed that those in the motion condition clicked on the icon for the optional task sooner (after M=61.48 seconds) than participants in the rest condition (after M=104.60 seconds), t(117) = 3.38, p < .01. Further, those in the motion condition generated each word at a faster rate (M=12.08 seconds per word) than those in the rest condition (M=17.28 seconds per word), t(113) = 3.18, p<.01. Thus, those in the motion condition exhibited a greater propensity to maintain their motion by choosing to engage in an optional task sooner than those in the rest condition, and, because of their greater readiness for further motion, proceeded through the optional task at a faster rate than those in the rest condition. A post-test illustrated that neither participant mood nor perceived differences in self-efficacy drive these results.

Study 2 was designed to provide triangulating evidence for the inertia of motion hypothesis by exploring the effect of taking away the experience of psychological motion. After the same state manipulation used in Study 1 (state: rest vs. motion), half of the participants simply proceeded to the next part of the study (no interrupt condition). The other half were interrupted by learning that they had to wait for “about two minutes” to make sure all participants were ready to proceed to the next part of the study (interrupt condition). For those in the motion condition, the period of disengagement imposed by the interruption was expected to take away their experience of psychological motion and thus mitigate their propensity to maintain that motion. For those in the rest condition, the interruption should simply extend their period of rest and was not expected to alter their state. Next, all participants then encountered an impression formation task; they were presented with one piece of information at a time about a target person and were instructed to stop requesting more information when they felt confident enough to form an impression of the target. The average time spent on each piece of information when they felt confident enough to form an impression of the target person and were instructed to stop requesting more information was recorded as a measure of speed of progress through the task. Analysis of this data revealed an interaction between the state and interrupt variables, F(3, 39)=3.73, p=.06. As expected, without an interruption, individuals in motion spent significantly less time on average examining each piece of information (M=3.05 seconds per piece) than those at rest (M=4.34 seconds per piece), F(1, 19)=3.55, p < .05. This was a replication of the rate of progress findings from Study 1. In the interrupt condition, there was no significant difference between those in the motion condition (M=3.91 seconds per piece) and those in the rest condition (M=3.36 seconds per piece), F(1,20)=0.43, p > .50. So, taking away the experience of psychological motion mitigated the
propensity of those in the motion condition to maintain their motion, causing them to behave no differently from those in the rest condition. A simple contrast illustrates the overall effect more clearly: the motion, no interrupt condition (the only condition in which participants experienced unmitigated motion) proceeded through the pieces of information at a faster rate (M=3.05 seconds) than those in the other three conditions combined (M=3.90 seconds per piece), F(1,41)=3.92, p=.05. So, these results triangulate the results from Study 1 by showing that taking away psychological motion results in a mitigation of the propensity to maintain motion.

These studies provide evidence that once an individual perceives himself to be “moving”, the experience of psychological motion activates a motion state, resulting in a propensity to maintain motion. This exhibits itself behaviorally through (1) an increase in the propensity to engage in a subsequent task, and (2) a faster rate of progress through a given task. The relationship between psychological motion and the propensity to maintain that motion was reinforced by showing that when psychological motion is absent, so too is the propensity to maintain motion.

**Switching Mindsets Drains Self-Regulatory Resources**

Kathleen Vohs, University of Minnesota
Ryan Hamilton, Northwestern University

**LONGABSTRACT**

One of the most enduring assumptions in psychological theory is that people often have multiple, redundant mental states that allow them to solve the same types of problems in different ways. These mental states, broadly referred to as mindsets, consist of sets of activated mental processes that result in a general disposition or readiness to respond in a certain manner. Some of the most prominent recent psychological theories are based on the idea that, in a given situation, activating one of these mindsets more than the other (or others) can change the preferences people construct, the judgments they form, the decisions they make, and the satisfaction they have with the outcomes.

The set of theories that assume people have multiple mindsets is extremely diverse, but they have several common elements. One assumption these theories tend to make is that people tend to have two or more mindsets available to them, and that when prompted by task demands or implicit primes, they can switch from one mindset to the other. Even in cases where culture or personal predisposition favor the chronic activation of one mindset, situational cues can prompt individuals to switch to the less-used mindset. Although these theories generally rest on the assumption that people are able to switch between mindsets, very little research has investigated the downstream consequences of this switching. But another way, although there is widespread belief that people can switch between mindsets, there has been very little investigation into how this switching takes place, and the possible costs of switching mindsets.

In this research, we propose that switching mindsets is an act of self-regulation and, as such, is governed by the same psychological mechanism that accounts for other acts of self-regulation. Recent research suggests that disparate acts of self-control (e.g., restricting emotional displays, concentrating on a task, resisting temptation) utilize a common executive resource. It has been proposed that there is a finite supply of this self-regulatory resource upon which to draw. Each act of self-regulation consumes some of this resource, leaving a smaller pool of resources to be used in subsequent attempts at self-regulation. Although this resource replenishes with time, it can easily be depleted in the short term, leaving individuals vulnerable to failures of self-control.

We argue that switching between any qualitatively different mindsets also consumes precious self-regulatory resources. We test this prediction by using a two-task paradigm previously used to test self-regulatory depletion. In the first phase of all our reported experiments, some individuals perform a task that requires them to switch back and forth between different mindsets, while others perform a substantially similar task that does not require switching mindsets. In the second phase, individuals will perform some task that requires persistence or concentration—in other words, something that requires the expenditure of self-regulatory resources. If, as we propose, switching between mindsets can lead to depletion, we should expect to find that individuals who had to switch mindsets perform worse on the second task.

We test this prediction in a series of three experiments. Experiment 1 shows that participants switching between abstract and concrete mindsets were subsequently willing to consume less of a healthful, but unpleasant tasting drink than participants who maintained a single mindset. In the second experiment, participants performed a task that either activated a promotion or a prevention mindset or a task that required switching between the two. Participants who switched between mindsets did not persist as long on an impossible puzzle. Experiment 3 found that participants who maintained either a locomotion or an assessment mindset were later better able to stifle external displays of emotion than participants who switched between locomotion and assessment mindsets.
A Right to Life highlights the complexities of empowering the citizen-consumer by implementing reform in the public obstetric/gynaecological health care sector of Pakistan. Every year approximately 30,000 women die from pregnancy related complications and 375,000 suffer severe post-natal injuries. These figures place Pakistan’s maternal death and morbidity rates as the highest in South Asia. The film’s narrative is largely conveyed and enacted by Dr Shershah Syed, Secretary General of the Pakistan Medical Association, who together with other activists, is trying to empower citizen-consumers by providing medical procedures to impoverished women living in urban slums and rural areas, and educating them regarding their rights as citizen-consumers.
LONG ABSTRACT:

With consumerism rising in India and the Asia Pacific region, interest in consumer research in these dynamic markets is now increasing. While there are many interesting research questions that marketers are starting to study, there are still many challenges to conducting consumer research in these markets, especially for researchers based in other parts of the world. A roundtable was held at the 2007 ACR conference to discuss issues and challenges with conducting consumer research in India and China (Mahi & Eckhardt, 2007). That discussion focused on identifying ontological/theoretical, methodological and respondent/subject base issues related to conducting consumer research in these markets.

There were several key issues discussed at the ACR Memphis conference in 2007 that related to theory building and to methodology in these dynamic markets. The need for researchers to share experiences relating to using various methodological tools was discussed. This roundtable seeks to further the discussion started at ACR 2007 in Memphis and being continued at ACR 2008 in San Francisco. By inviting and including participation from local researchers that may not otherwise travel to ACR North America conferences this roundtable seeks to start a dialogue between researchers based in these countries and those based elsewhere about conducting research in the India market. We will use the online forum created at ACR 2007 consisting of 35 ACR members and researchers to structure our pre-conference discussions and to continue the discussions at the conference.

In the Indian context, there are unique challenges that exist with conducting fieldwork because of the vast differences among respondents in socio-economic levels, literacy levels. Added to this, other local cultural factors such as gender, class and caste issues complicate a good understanding of these contexts (Purkayastha et al., 2003). Researchers, especially ones that have an ‘outsider’ perspective need to have better understanding of these local issues in order to collect data that is factually accurate and free from biases. In this context, there is a greater need for a dialogue between researchers that are based in India and researchers that are based in other parts of the world. This is especially needed since more researchers situated in other parts of the world are now starting to conduct exploratory research in India in order to capture the rapid changes to consumerism that are occurring in the Indian market. We also need to have a better understanding of human subject’s protection protocols in this market.

This roundtable will include participant researchers that are based in India as well as those based elsewhere to discuss the ‘insider’ vs. ‘outsider’ perspective to conducting consumer research. Researchers will be encouraged via the online forum and pre-conference sessions to discuss methodological and data collection issues and share (to the extent that they are willing to) unique methodologies that worked in their research. The purpose of these series of roundtables started in 2007 is to allow our entire research community to be able to have a dialogue and possibly access to solutions to some unique methodological challenges in these settings without having to wait for the longer period it might take for these to appear in journals before researchers can access them.

At this roundtable, will continue to probe and discuss various issues in the Indian marketplace that make studying consumer behavior interesting yet challenging – factors such as levels of poverty and development, gender roles and technology play a crucial role in market expansion given rapid globalization. There is greater interest among researchers now in studying how consumer bases at the bottom of the pyramid can be accessed (Anderson and Markides, 2007). It would be good to hear perspectives from researchers based in India as they talk of their experiences during fieldwork on the challenges and insights obtained by working say in rural areas or with lower income level consumers in these markets (Chakravarti, 2006). From a theory standpoint, we will discuss whether engaging in theory building or theory testing should take precedence given the nascent nature of some parts of this market. These are some of the questions that we will discuss before the session on the online forum in order to identify further questions of interest to participants. The online forum already has 35 ACR members that are a part of this online forum. These researchers are based in various regions of the world – Australia, China, Hong Kong, India, Singapore and the US and most are engaged in conducting research in these markets.

Participants will be added to this forum via word-of-mouth and emails in order to have a group of participants at the conference that will represent both the ‘insider’ and ‘outsider’ perspectives adequately. Again as with the past roundtable sessions, this forum will provide a forum for newer researchers to meet other interested researchers and foster possible co-authorships and collaborations. We will also organize pre-conference discussion sessions at the conference so researchers can meet and discuss some of these topics before we meet for the final roundtable session where we will discuss some key questions that arise from our pre-conference and online forum discussions.

REFERENCES:


Plenary Session
Consumer Behavior at the Bottom of the Pyramid

Session Chair: Laurel Anderson, Arizona State University
Speakers: Verghese Jacob, Byrraju Foundation, Hyderabad, India

Consumers at the “bottom of the pyramid” (BOP) are not just targets of social action aimed at poverty reduction, improved consumption aspiration and capability, and enhanced well being. These “next four billion” consumers also represent an unprecedented opportunity for economic growth and innovation. However, this “marketplace” poses nontrivial challenges for governments, development agencies, NGO’s, corporations, entrepreneurial organizations and others who work to foster new economic opportunity, create new jobs, and drive positive, sustainable social change. BOP consumers constitute a complex milieu in which traditional economic, psychological, and socio-cultural thinking about behavior often bite the dust. Hence, an informed understanding of the tenets of consumer behavior that drive demand for goods and services in BOP markets is essential for both practitioners seeking impact and academics seeking new conceptual challenges.

This session underscores the challenges that BOP markets pose for consumer researchers, whether academics or practitioners. Verghese Jacob is Chief Integrator of the Byrraju Foundation, a non-profit foundation that seeks to build progressive self-reliant rural communities - using a holistic approach - by providing services in healthcare, environment, sanitation, primary education, adult literacy and skills development. The Hyderabad-based foundation currently works in 200 villages in 6 districts of the Indian state of Andhra Pradesh, positively transforming the lives of nearly 3 million people. The talk draws upon this experience to present a paradigm that places the BOP market center-stage in product and process innovations. The paradigm recognizes and adapts to BOP consumer behaviors that may not conform to traditional conceptual frames.
Persuasive Influences of Online Word of Mouth and Professional Reviews
Anindita Chakravarty, Pennsylvania State University, USA
Yong Liu, University of Arizona, USA
Tridib Mazumdar, Syracuse University, USA

ABSTRACT
Effects of online word of mouth (WOM) and professional reviews on consumer product evaluations were tested in four experiments, in which subjects are exposed to information posted on a simulated movie website. We find that infrequent consumers of a category are more influenced by WOM than are frequent consumers. This effect is not moderated by whether the online comments are experience-based or purely speculative. In the presence of both WOM and professional reviews, frequent consumers of a category are more influenced by professional reviews but less influenced by WOM than are infrequent consumers.

Key Words: Persuasion, Word of Mouth, Critical Reviews, Consumers.

EXTENDED ABSTRACT
Motivation and Objectives
Consumers receive a variety of product information in the form of online comments posted by users on web portals (e.g., Bizrate, Froogle, Yahoo! Shopping) or websites specializing in specific product categories (e.g., Travelocity, Expedia, Hotels.com, Edmunds, Yahoo! Movies). The objective of this research is to investigate the influences of online information on product evaluations, and how the message recipients’ frequency of product category consumption moderates the persuasiveness of online information.

In addition, this research considers the influences of professional (or expert) reviews that are often contemporaneously available alongside WOM on a website. For instance, Edmunds.com provides WOM from “real people,” and expert reviews in the format of “Editors Reviews and Ratings”. Travel websites frequently provide reviews by both consumers and travel industry professionals (e.g., Mobil Travel Guide’s Incognito Hotel Inspectors, AAA hotel ratings). Given that professional tastes do not necessarily represent the mass population, and that professional reviews may differ from those of ordinary consumers, we wish to assess if infrequent consumers relate to and therefore are more influenced by online WOM than professional reviews, while frequent consumers of a category are more responsive to professional reviews than to WOM.

Study 1: Online WOM and Category Consumption Frequency
Posted messages are expected to persuade the message recipients in the same direction of their valence (positive versus negative), with negative messages likely to have a stronger effect than positive ones. Moreover, we postulate that infrequent consumers are more influenced by online WOM than are frequent consumers. We utilize online WOM about movies as the context for the studies. To enhance realism of the study, we construct an experimental website that mimics an actual movie website, Yahoo! Movies, and use a to-be-released movie, Sahara, as a stimulus. One hundred and one students were randomly assigned to one of the 2 (WOM: positive vs. negative) × 2 (message recipient’s consumption frequency: infrequent vs. frequent moviegoer) conditions.

The analysis shows that the negative WOM has a stronger effect on movie evaluations than positive comments do (X̄ = -1.09 vs. 0.65, p < 0.01). Infrequent moviegoers are more influenced by online WOM than are frequent moviegoers (X̄ = -0.39 vs. -0.06, p < 0.07). The difference between the effects on frequent versus infrequent moviegoers is significant when the online WOM are mostly negative. Frequent moviegoers are less influenced by negative WOM than the infrequent moviegoers (X̄ = -0.79 vs. -1.40, p < 0.02). This difference is non-significant when the WOM are positive (p > 0.85).

Study 2: Replication of Study 1 with Experience-based vs. Speculative WOM
In this study, we replicate Study 1 using a different movie and different subjects. In addition, we examine if the interaction between consumption frequency and WOM found in Study 1 is moderated by message-related characteristics i.e., whether a particular comment is based on the message provider’s personal experience with the product, or is simply speculative. The study context and procedures are similar to those of Study 1. We selected National Treasure as the stimulus and presented WOM on the simulated Yahoo! Movies website. The experiment uses a 2 (valence: positive vs. negative) × 2 (prior experience of the message provider: experience based vs. speculative) × 2 (message recipient’s consumption frequency: infrequent vs. frequent) between-subjects design. One hundred and fifty seven students were randomly assigned to experimental conditions.

Both the main and interactive effects of valence and frequency found in Study 1 are perfectly replicated. Additionally, experience-based messages are found to be more influential than speculative messages when they are mostly negative (X̄ = -1.23 vs. -0.83, p < 0.07). This difference is non-significant when the messages are mostly positive (X̄ = 0.48 vs. 0.37, p = 0.63). Infrequent moviegoers are more influenced by WOM than are frequent moviegoers. Interestingly, this difference is significant when the WOM are speculative (X̄ = -0.50 vs. 0.05, p < 0.02), but not so when they are experience-based (p > 0.16).

Study 3: WOM with and without the Presence of Professional Reviews
The purpose of this study is to assess: (1) whether the effects of online WOM are moderated by professional reviews that express an opposing view, and (2) whether the influences of online WOM and professional reviews vary by the frequent versus infrequent consumption of the category. The procedure of Study 3 is similar to that of Study 1 and Study 2. We used a 2 (professional review: absent and present) × 2 (online WOM: positive and negative) × 2 (consumption frequency: infrequent vs. frequent moviegoers) between-subjects design. The professional review conditions were randomly assigned to of Study 1 and Study 2. We used a 2 (online WOM: present vs. absent) x 2 (message valence: positive vs. negative) x 2 (message recipient’s consumption frequency: infrequent vs. frequent moviegoer) between-subjects design. The procedure of Study 3 is similar to that of Study 1 and Study 2. We used a 2 (professional review: absent and present) x 2 (online WOM: positive and negative) x 2 (message recipient’s consumption frequency: infrequent vs. frequent moviegoer) design. The professional review conditions were randomly assigned to the conditions. When WOM were positive, the exposure to negative professional ratings yielded a less positive attitude change compared with the case of no reviews, (no review, positive WOM) = 0.65, (negative review, positive WOM) = 0.20, p < 0.10. However, if WOM were negative, prior exposure to

124 Advances in Consumer Research (Volume VIII), © 2009
(positive) professional reviews yielded a less negative attitude change compared with the no-review case. With regard to the effects of frequency, the existence of professional reviews did not significantly affect infrequent moviegoers, $p > 0.37$ and $p > 0.43$. However, for frequent moviegoers, the existence of professional reviews has a significant effect.

**SUMMARY**

Compared with infrequent moviegoers, frequent moviegoers are less influenced by online WOM but more influenced by professional reviews. These differences are particularly significant when the information that matters more i.e., either WOM or professional reviews is negative. We also find that when online WOM express negative opinions, consumers pay attention to whether the opinions are based on prior experience with the product or are purely speculative.

**REFERENCE**


“Is it Really Complicated?”
Motivational Differences in the Effects of Structural and Outcome Complexity on Consumers' Web site and Brand Evaluations
Reetika Gupta, Lehigh University
Stephen J. Gould, Baruch College, CUNY

EXTENDED ABSTRACT
As marketers spend significantly to enhance the aesthetics and sophistication of consumer experiences, they are increasing the complexity of interactive consumption environments. However, little is known about how consumers react to such complexity, in terms of their evaluations. In this research, we examine two specific types of complexity: 1) Structural Complexity is defined as the number of distinct cues (e.g., distinct information categories, length of text, audio, video, animation) at the web site that the consumer has to process, and 2) Outcome Complexity is defined as the abstractness of icons and symbols that the consumer uses to navigate the web site (e.g., ambiguous icons at a web site that does not allow the consumer to form clear outcome predictions). While these types of complexity may be more memorable, communicate more information and are likely to engage consumers, they often make the web site difficult to navigate and use. In this research, we investigate if complexity in the form of multiple cues and abstract icons will lead to positive or negative outcomes at a web site.

Extant research on complexity advocates two divergent views of complexity. Research on stimulus complexity (Berlyne, 1960) suggests that (moderately) complex environments will evoke the most favorable evaluations since it creates a stimulating environment. On the other hand, according to cognitive load theory (Sweller, 1988) complexity can be perceived as superfluous and inefficient, leading to unfavorable evaluations. This paper attempts to address this conflict by focusing on individual motives. There is research to suggest that motives such as goal directed (focused on the end goal) and experiential (focused on the experience) persuade individuals to adopt separate mechanisms that guide evaluations (Hoffman and Novak, 1996), implying that individuals belonging to these two different motive groups will have varying outcomes to complexity in an online environment.

We posit that distinct consumer motives (goal directed vs. experiential) will interact with the level (low, moderate, high) and type (structural, outcome) of complexity to determine consumer evaluations of the web site and brand. It is proposed that the congruence between the complexity level and needs of specific motives will drive the favorable evaluations toward a web site. Experiential consumers who are looking for an engaging experience will find the moderate complexity web site stimulating and challenging, triggering favorable evaluations; while the goal directed consumers who are seeking efficiency will find the low complexity web site ideal for pursuing their goal in a linear manner.

In addition, we predict that due to the conceptual nature of the end goal (seeking specific information), individuals in a goal directed motive display higher sensitivity for low outcome complexity. On the other hand, individuals with an experiential motive are stimulus driven, and more focused on the elements of the stimulus that make the process of browsing engaging and stimulating, displaying higher sensitivity for moderate structural complexity.

These predictions are tested across two studies. Study 1, across 48 web sites designed as a 3 (Low, Moderate or High Structural Complexity) X 2 (Goal directed or Experiential Motive) demonstrates that the match or mismatch between consumer motives and complexity levels leads goal directed and experiential consumers to vary in their evaluations of complexity, but only at moderate and low levels. In Study 2, a second type of complexity, outcome complexity was introduced to examine the interplay between the two complexities, structural and outcome in influencing consumer reactions. Study 2, designed as a 2 (Low Structural or Moderate Structural Complexity) X 2 (Low Outcome or Moderate Complexity) X 2 (Goal directed or Experiential Motive) confirms the findings of Study 1 by illustrating that goal directed individuals display a higher preference for the low complexity level (low structural-low outcome) than experiential individuals. Conversely, the experiential individuals display a higher preference for the moderate complexity level (moderate structural-moderate outcome) than goal directed individuals. In addition, the results indicate that goal directed individuals are sensitive to changes in outcome complexity but not sensitive to changes in structural complexity, while experiential individuals are sensitive to changes in structural complexity but not sensitive to changes in outcome complexity.

If corroborated, this research has theoretical and practical relevance. In particular, these insights contribute to complexity literature by explaining that motivation is a key moderator of consumer reactions to complexity, and may help reconcile conflicting findings on complexity reported previously. From a practical standpoint, the framework suggests that marketers should tailor the complexity of the environment to align to the motivations that consumers bring to the consumption task. For example, a marketer may choose to differentiate among consumers based on their motivations, and direct them to environments of varying complexity.

REFERENCES
In this paper we investigate the gender differences in the attitude towards virtual reviewers writing eWOM consumer reviews, that has been found earlier. Compared to men, women were significantly more likely to consider eWOM consumer reviews as informative, and reported that they were more likely to use these in their decision-making. Women also exhibited the negativity bias, viz. found reviewers of negative eWOM significantly more trustworthy than positive reviews, while men did not. In this paper, we investigate the role of relational-interdependent self-construal as an underlying reasons leading to this gendered difference in the trust of eWOM from a virtual reviewer.

Conceptualization:
We propose two hypotheses relating to the effect of gender on the trust of eWOM reviewers. In our first hypothesis, we propose how this relationship between gender and trust of the reviewer may be moderated by review valence and the type of product being reviewed. We draw from previous research (Sen and Lerman 2007; Sen (forthcoming)) and propose that women will more likely exhibit the negativity bias than men, and moreover, be more likely to trust a virtual reviewer writing a negative review for a utilitarian product than for a hedonic product. To investigate the process of this gendered difference, we explore the role played by the subject’s relational-interdependent self-construal (RISC), since psychological literature (Sherif 1982; Banaji & Prentice, 1994; Baumeister 1998; Greenwald & Pratkanis, 1984; Markus & Wurf, 1987) has demonstrated that many gender differences in cognition, motivation, emotion, and social behavior may be explained in terms of men’s and women’s different self-construals.

Method:
A 2 (Gender: male, female) x 2 (Review valence: negative, positive) x 2 (Product type: hedonic, utilitarian) between-subjects experiment was conducted. Hypothesis 1 was tested using a 3 way ANOVA with planned contrasts. Subjects’ relational-interdependent self-construal (RISC) was measured using the scale developed by Cross et al. (2000), and used to test mediation of the effect of gender on the trust of an eWOM reviewer by the subject’s RISC (Hypothesis 2). The mediation was tested by using the 3 step regression analysis suggested by Baron and Kenny (1986).

Major Findings:
We found that women were more likely to show the negativity bias for information, and they showed higher trust for reviewers who wrote negative eWOM reviews for utilitarian rather than hedonic products. This supported our H1, viz. the 3-way interaction relationship between gender, review valence and product type on reviewer trust. We did not find support for our mediated moderation model in H2. However, we found a strong relationship between gender and relational-interdependent self-construal (RISC); and between RISC and attitudes towards the eWOM reviewer. This is consistent with Cross and Madson (1997)’s view that individuals’ self facilitates their engagement in and adaptation to the environments, and we believe that the RISC motivates the individual to adapt his or her attitudes or behavior to the virtual reviewer, to ensure a smooth and harmonious interaction (viz. having trust in the motivations of the virtual reviewer.)
The Impact and Accuracy of Beliefs Relating to Impressions Caused by Products
Laurence Ashworth, Queen's School of Business, Queen's University, Canada
Maggie Matear, Queen's School of Business, Queen's University, Canada

ABSTRACT
The current work demonstrated that consumers’ desire to avoid creating a particular impression exerted an important influence on their attitudes and ultimately their willingness to pay for a product. Consumers considerably overestimated the impact of product usage on the impressions they created though. Specifically, both men and women thought the use of a feminine colored product would affect others’ impressions, which caused men, but not women, to like and value the product less. Neither men’s nor women’s impression of another person using the same product was affected by the color though. Our results suggest this discrepancy was due to a failure to account for other person-related factors that might dilute the impact of an individual product on the impression created.

EXTENDED ABSTRACT
Individual behaviour is often motivated by self-presentation or impression management concerns (Tedeschi 1981). Impression management involves controlling personal expressions and behaviors in order to influence the opinions and responses of others (Leary 1995). Research in marketing has shown that personal possessions affect observers’ impressions (Gosling et al. 2002) and that consumers will strategically buy and display products for this reason (Burroughs, Drew, and Hallman 1991). Recent work has also shown that consumers will avoid products that might cause them to be perceived as members of dissociative reference groups (White and Dahl 2006).

The current work extends the existing literature in a number of ways: first, by demonstrating that product attitudes and willingness to pay are importantly influenced by the extent to which products help consumers achieve or avoid certain impressions, even outside of a context where consumers are actively attempting to manage their impression; second, by investigating the validity or accuracy of impression management concerns. We show that consumers tend to overestimate the extent to which products are likely to create an undesired impression, as evidenced by a discrepancy between their impression of other consumers using a particular product and their own beliefs about the impression they would create using the same product; finally, we investigate the mechanism responsible for this discrepancy. Our results suggest that it is due to a failure to account for other aspects of an individual’s person that are also likely to affect observers’ impressions.

Study 1
Study 1 explored whether impression management concerns influenced product evaluation and willingness to pay. We chose an item that was likely to be used in public (an MP3 player) and manipulated its color to evoke impression management concerns. Specifically, we predicted that when the product was offered in a feminine color, men – but not women – would worry about the impression it conveyed.

Ninety-eight students (52% women) participated in a 2 (product color: pink vs. black) x 2 (gender) between-subjects factorial design. In the “self” conditions, participants saw a picture of a male in a gym setting who happened to be wearing an MP3 player. In the “other” conditions, participants saw an MP3 player (embedded in a variety of other products) and rated what they thought other people would think of them if they were seen using this product. In the “other” conditions, participants saw a picture of a male in a gym setting who happened to be wearing an MP3 player.

As in Study 1, we found that men, but not women, believed they would be perceived less positively wearing a pink player ($M = 2.08$ vs. $3.35; p < .001$). However, neither men nor women formed a less positive impression of the target when he was wearing the pink player. They did, however, notice the player and were more likely to remember the color of the player when it was pink, suggesting the inaccuracy was not caused by overestimating the number of people likely to notice the product (which would have been consistent with a spotlight effect; Gilovich, Medvec, and Savitsky, 2000).

Study 2
Study 2 examined the accuracy of consumers’ impression management concerns by comparing their beliefs about the impression they would create using a product to impressions of another consumer using the same product.

Ninety-one students (57% women) participated in a 2 (product color: pink vs. black) x 2 (gender) x 2 (target: self vs. other) between-subjects factorial design. In the “self” conditions, participants saw an MP3 player (embedded in a variety of other products) and rated what they thought other people would think of them if they were seen using this product. In the “other” conditions, participants saw a picture of a male in a gym setting who happened to be wearing an MP3 player.

As in Study 1, we found that men were less willing to wear the pink player than were women ($M = 2.17$ vs. $3.25$). However, we also found that the prime increased the likelihood that men would wear the MP3 player ($M = 1.80$ vs. $2.54, F(1,201) = 7.62, p < .01$), while having no change on the likelihood that women would wear it ($M = 3.34$ vs. $3.15, F < 1$). Analyses of the particular impressions participants believed they would create wearing the pink MP3 player showed that the prime affected both men and women’s perceived impression (Wilks’ Lambda = .94, $F(4, 197) = 3.16, p < .05$). As in the Study 2, the manipulation impacted the impression that both men and women thought they would create. However, only men were sufficiently concerned by the impression that it affected their intentions to wear the player.
General Discussion

The current work demonstrated that consumers’ desire to avoid creating a particular impression exerted an important influence on their attitudes and ultimately their willingness to pay for a product. Consumers’ concerns, however, appeared to be somewhat unwarranted. Both men and women overestimated the impact the product would have on the impressions they created, although only men considered these impressions undesirable. Neither men’s nor women’s impression of another person were affected by the very product men sought to avoid and this appeared to be due to a failure to take into account other person-related cues that are likely to impact the impressions individuals form of one another.

REFERENCES


Short Abstract

Our society is going through a change in men’s identity, role, status and image. Also, home-based masculine practices and intimacy-related purchase are changing. Consumer research lacks an understanding of men’s involvement in consumption practices, codes of a whole traditionally feminine culture. In this paper, we attempt to explore how a new masculine consumption – the lingerie- that had clear divisions between men and women, may shape and reinforce men’s socially defined gender roles/identity construction. We focus on new identity landmarks, which move the social frontier between the sexes. This 21 semi-structured interviews research with French men reveals a duality based on identity.

Masculine identity construction and the intimacy-related male consumption: a consumer point of view

Introduction

Our society is going through a change in men’s identity, role, status and image in the public and private circles, because of social mutations, which have affected the dominant virile model that used to build men’s identities. For as E. Badinter explains, “if masculinity is taught and builds up, it can undoubtedly change” (1993, P51).

Home-based masculine practices and intimacy-related purchase are changing. For instance, L’Oréal forecasts indicate that 50% of French men will use skincare by 2010! But how shall we understand those new consumption modes in relation to a reflection on the masculine identity, its transformations, its ties? What is the role of those new consumer behaviours in the building of gender identity (self-representation through categories of action defined as men’s or women’s privilege)? This means understanding men’s involvement in consumption practices, codes and a whole traditionally feminine culture.

In this paper, we explore the tensions that male consumers experience in the marketplace and how men enact their masculinity today. We attempt to understand how a new masculine consumption – the lingerie for men, a consumption that had clear divisions between men and women, may shape and reinforce men’s socially defined gender roles and identity construction. We focus more specifically on new identity landmarks, which move the social frontier between the sexes.

As masculinity lacks conceptualization in consumer research (Schroeder and Zwick, 2004, Elliott and Elliott, 2005), we hope to contribute in an understanding of the evolving masculinities from the consumer point of view/practices and enrich the gender ideology and consumption issues in general. Moreover, managers in the fashion/beauty sectors need keys to target efficiently changing male consumers and address anxieties and taboos about a new offer associated with a traditional feminine culture of appearance.

Literature review

Changing male consumers facing tensions when engaging with new images and products in consumer society.

Male consume images but also new products linked to the traditional feminine territory of beauty/appearance/seduction. Then, scholars tend to understand a trend that represents an important potential source of profit for companies facing mature feminine markets and that develop successfully cosmetics, jeweler and also lingerie for men. But still, such consumption practices are very recent in our system of values leading to social fears, taboos and anxiety among male consumers. Male consumers experience tensions in the marketplace that are mentioned by several scholars in the field of consumer research (Kimmel and Tissier-Desbordes, 2000, Holt & Thompson, 2004; Elliott & Elliott, 2005; Ottes & McGrath, 2001, Tuncay & Ottes, 2006; Rinallo 2007).

Kimmel and Tissier-Desbordes (2000) conducted 30 interviews with French men and concluded that respondents showed a denial about consumption playing a role in their life and authors suggested the role of social fears: “fear of condoning traditional attitudes about male and female roles; fear of becoming a minority relative to the position of women in society; fear of admitting a feminine side to their self-image” (and the corresponding fear of homosexuality); and fear of admitting that products and brands represent important aspects of their public and private self-images ».

Elliott and Elliott (2005) found out quite similar results when interpreting male response to naked male bodies in advertising: an expressed fear of homosexuality by informants in particular. The authors argue that because of a plethora of masculine identities proposed by the ads, male consumers are to find the one manly enough but still reconciling traditional behaviours with current changes among the masculine appearance. This was expressed as a threat for respondents who feel insecure in a period of transition where masculine codes are undergoing rapid changes.

Diego Rinallo (2007) explored masculine reactions to male rep in magazines as well as their practices as regard to fashion. He compared straight Italian men and gays. He concluded that while the discourse of fashion encourages - through aspirational models of beauty- new practices (the use of cosmetics, shaving bodies…) “they are still considered of dubious legitimacy among straight men. Even the style of men among them refrain from their adoption, as they are still subject to the regime of surveillance of the panoptical gaze in their social interactions” (p89).

The author shows how men negotiate their masculinity through the consumption of fashion by referring to a “safety zone” where they can achieve a certain level of satisfaction as regard to their appearance while still conforming to social norms therefore to avoid stigmatisation. On the other hand, gay respondents seem to see the expansion of new practices associated with their own subculture as a “sign of civilization” and also a way to gain social distinction/acceptability (P89).

Then men experience tensions between conforming social expectations about what it means to be a man and the desire to break away from the constraints of hegemonic masculinity through consumption. This aspect is mentioned in Holt and Thompson (2004) research where some informants engage in an everyday consumption that highlights their feminine side vs. traditional or “macho” masculinity. This tension between the breadwinner model and the rebel one is resolved by male consumers through a construction of a third US model of masculinity “the man of action hero” that embraces both individualism and collective interests.

Finally, the idea of a tension between traditional conceptions of masculinity and the male entrance in even “feminine
consumption” and shopping behaviour is underlined by Ottes and Mc Grath (2001). The authors suggest that men resolve this tension through the notion of achievement. Then, male shoppers accommodate traditional masculinity (“shopping to win”) with some feminine shopping behaviour (spend a long time in shops, visit feminine shops or buy decorative items). «Future research should explore the multitude of tensions male consumers feel and how they cope with these tensions in the marketplace. By investigating these issues, marketers can begin to understand how they can effectively and ethically manage these tensions.» (Tuncay and Ottes, 2007).

Then, this paper is an attempt to participate in building knowledge on the construction of masculine identity by male consumers that face great changes on the marketplace in Western consumer society. We aim to explore more deeply the tensions and limits experienced by men in the masculine identity construction- consumption dialectic.

Understanding masculine identity construction through discourse analysis

I used semi-structured interviews to achieve a discourse analysis. I managed to find almost all the respondents "among people in the entourage or among people that could introduce me to people they know" (Bourdieu, 1993, p. 907). This was in order to avoid anonymity and get introduced in the respondents’ private sphere to create a context favourable to confide about a “touchy” subject. The respondents interviewed (21 in all) were of varying ages, sexual orientations and represented a wide range of backgrounds, including students, full-time workers and retired people. The criteria for selection were first the participation in lingerie consumption of various types of men (12 respondents). Then, seeking a “qualitative diversity” (Schwarz, 1990, p. 41), I interviewed different types of men: gay; young heterosexual, and older men not involved in this practice. The sample selection followed “literal and theoretical replication” concepts (Yin, 1989) aiming to construct a theoretical sampling in favor of a rich context and a strong theoretical framework.

The interviews were held on an individual basis and in strict confidence, and were, on average, between one and two hours long. Interviews were carried out in Paris and in the south of France (Marseille/Aix-en-Provence). Interviews were typically conducted in the respondents’ houses to create an atmosphere that allows confiding about intimacy. Men chose times that would be quiet or when they would be alone so as not to be disrupted. Interviews were taped, recorded and the respondents were offered the opportunity to view the transcripts.

<table>
<thead>
<tr>
<th>Functional/Hygienic Practices only</th>
<th>Aesthetic Practices, Lingerie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Age</td>
</tr>
<tr>
<td>Gilles</td>
<td>20</td>
</tr>
<tr>
<td>François</td>
<td>41</td>
</tr>
<tr>
<td>Michel</td>
<td>55</td>
</tr>
<tr>
<td>François M</td>
<td>67</td>
</tr>
<tr>
<td>Alban</td>
<td>44</td>
</tr>
<tr>
<td>Benoit</td>
<td>55</td>
</tr>
<tr>
<td>Bertrand</td>
<td>35</td>
</tr>
<tr>
<td>Frédéric</td>
<td>27</td>
</tr>
<tr>
<td>Charles</td>
<td>56</td>
</tr>
<tr>
<td>Julien</td>
<td>36</td>
</tr>
<tr>
<td>Serge</td>
<td>41</td>
</tr>
</tbody>
</table>

Findings and Discussion

Through the consumption of new underwear lie men’s representations of beauty. More vastly, lies men’s transformations, their modifications, their readjustments, without forgetting their permanent state and the evolution of social relations of sex within the private sphere.

Examining those results means examining those more-or-less changing men, through the analysis of everyday consumption practices. But if men do change, how do they change and how should those changes be interpreted?

“In sociology, change is an interpretative category, not a descriptive one. In this beginning of a century, the state of domestic places is not the same as in the 1950's; (...) An interpretative model is necessary to understand the transformations that have taken place; ...I would like to take seriously the idea of change in gender relations too, within the private life, for the last 30 years; (...) There may still be a male domination, and yet a change in adults’ relation in the private circle.” (de Singly, 2001, P149-151);

Taking into account the fact that a one-dimensional theoretical interpretation is necessarily reducible, any practice, any interaction, any relation being heterogeneous and that one must acknowledge the complexity by taking the risk of proposing an articulation between the different dimensions of the activity, or of the interaction, I assumed that study results could be read according to a logic based on identity (personal identity, masculine identity, generational identity). How are those new masculine consumption practices concerned with the process of identity construction?

Self-representation and personal identity

Self-representation is a crucial component of personal identity. Indeed, the body, the appearance, constitutes a basis and a privileged medium through which the feeling of identity is expressed. In the construction of identity, self-image is highly important. We need then to understand how the consumption patterns of those new underwear contribute to the construction of the practicing interviewees’ personal identity.

Pleasure, game and happiness

Pleasure is a leading principle of the interviewees’ consumption practices. Self-blooming and free action on the body are what matter. Taking care of oneself, decorate one’s body, is
lived as a search for happiness and relaxation, and is related to the idea of feeling better.

Purchasing underwear is done on a hedonist way, something fun, in adequacy with the search for happiness, something intimate, which corresponds to the search for an individualized happiness and celebrates men’s new relation to the private sphere:

« I find it extremely pleasant... It’s a personal pleasure, above all... I feel good... It’s one the pleasures on earth... It’s good, really... ” (Pierre) / “It’s more the pleasure thing; traditional boxer shorts are like something compulsory, not fun, and the rest is more like a pleasure. A personal pleasure, not an obligation.” (Romain)

Therefore, this purchase of men’s lingerie is related to oneself, in order to feel good but also to be at ease with oneself, physically and mentally. This stresses the importance of the relation between the body and the soul, as if this physical wellbeing spread to the mental, or rather as if it were a mental wellbeing first:

« It makes you want to do more... How can I put it? You feel good in our body, so, obviously, you’re more joyful, happier, and you’re in harmony with yourself” (Romain)

Self-image, self-control and self-esteem

Taking care of oneself means controlling one’s appearance, therefore having self-control, working on oneself, in order to reinforce self-esteem. Indeed, taking care of oneself is seen as a search for oneself (done for oneself), but also as a search for social recognition (done for others). Those new masculine practices express self-assertion through the image reflected to oneself and eventually to others. Self-representation aims at having this image confirmed and validated through the eyes of other people. Indeed, one of the essential stakes of human relations is “the face” which we try and get acknowledged by other people (Goffman, 1973). Thus, for our interviewees, working on one’s appearance brings a reinforcement of self-esteem and self-confidence.

« I wanted to take care of myself, to see what I could get from it... But in fact, it helped me a lot because it was like being self-confident... ” (Julien) / “It helps you give the impression that you are more attractive, more charming. In the end, you feel psychologically better... ” (Pierre)

Buying men’s lingerie is a strongly personal practice that results from self-representation. Nevertheless, if working on one’s appearance depends on one’s identity, it also refers to the gender identity, which does not come from the anatomical sex, but from the “social” sex, that is to say which leans on cultural models of femininity and masculinity.

Self-representation and masculine identity

Home-based masculine practices and intimacy-related purchase are changing. But how shall we understand those new consumption modes in relation to a reflection on the masculine identity, its transformations, and its ties? What is the role of those new consumer behaviours in the building of gender identity (self-representation through categories of action defined as men’s or women’s privilege)? This means understanding men’s involvement in practices, codes and a whole traditionally feminine culture.

This research will reveal a duality based on identity.

Masculine practices and discourses that stress a distance with the traditional model of virility defining masculinity as opposed to femininity.

By going to a traditionally feminine territory – through the aesthetic representation of appearances and everyday gestures- our interviewees deny a traditional masculine virility based on the opposition to femininity. As for talking, in a general way, the interviewees distance themselves from the virile model that stigmatizes women’s trifles:

« People will say that men are... we are boys, so we don’t need to buy those things but, well, I do buy them because I think differently. People will say boys will be boys, they don’t want to change. I used to be like them and now I’ve changed... ” (Sébastien)

“For me, it’s unisex, there’s no difference. Underwear or cosmetics... We have a skin as well! There’s no reason why we shouldn’t take care of it. You also try and look good with nice clothes, so I don’t see why you shouldn’t wear nice and refined underwear if you’re an elegant man in the first place!” (Pierre)

“We both must be good-looking... I don’t see why only women should... It’s just a clothes thing” (Pierre-Henry).

On the contrary, discourses valorize the men-women interactions and the reciprocity of those relations within the public and private circle, which undoubtedly goes against the traditional representations of masculinity. It seems that all the interviewees refer to an egalitarian culture focused on parity and emancipation, which discredits the men-women partitioning that go against democracy.

« It’s natural for a man to take care of himself too. I assume that women have the right to ask men what men ask women to do” (Sébastien)

“I belong to this generation of men who are aware of women’s needs, who understand that women are expecting us to make efforts on different levels” (Eric)

Those emancipatory discourses are to be linked with the principle of tolerance and freedom expressed through the different interviews, especially about homosexuality. Those new men interact even more with women as far as intimacy is concerned, and accept homosexuality:

« Gay men take great care of themselves... This is why people say it looks queer... They are in the forefront of those things... and they’re often aces, physically, so why shouldn’t straight men worry about their look too? Guys who don’t understand that are hung up, they’re not open, they must work on themselves... I am open” (Sebastien)

“Those who will think it looks gay... I meet a lot of people, it’s a way of selecting people: I’m not interested in those who are not smart enough to understand those things... ” (Pierre)

Yet, it is important to notice that even amongst non-practicing interviewees, this principle of tolerance which states that everybody is free to do what they will, in particular with their body, is to be found, just like the norm of equality.
In order to keep understanding those masculine identity changes which have been tackled on a micro sociological level until now, it is relevant to pass on to a complementary level, a macro level, the society level, which redistributes men’s and women’s roles, changing thereby social relations of sex and their representations.

Indeed, our society is going through a change in men’s identity, role, status and image in the private and public circles, because of social mutations, which have affected the virile model that used to build men’s identities. For as E. Badinter explains, “if masculinity is taught and builds up, it can undoubtedly change” (1993, P31).

Firstly, masculine identity is not as much work-related as it used to be. In the past, a man only needed to “show his work strength” to be seen as a man, that is to say work would make the man. Industrial development that mostly required a physical and muscular work (“instrumental body”) would perfectly go with the stereotype of a man. Yet, nowadays, under the influences of unemployment, shortage of manual jobs (parallel to the valorization of skilled jobs), but also of women becoming workers, and therefore to women’s professional competition, having a job does not seem to be the main reason for masculine identity.

Above all, the masculine identity is not only elaborated in contrast with women anymore, particularly because of the evolution of social relations of sex, which disoriented the traditional masculine model. Indeed, the virile masculine ideal has lost its entire supremacy/legitimacy with women’s emancipation, the admission and evolution of sex equality, the evidence of sexual evolution. Consequently, the injunction to “manliness”, very powerful code of behaviour as far as practices and representations of men are concerned, has weakened: the foundation of virility seems to have crumbled and old landmarks now mark time. The universal outlines, which used to differentiate values, centers of interests and men and women’s roles, are now becoming blurred. Yesterday’s traditional coherence, which would accompany the building of masculinity and femininity, is now being progressively deconstructed, because of the questioning of traditional roles and sexual identities. While univocal and differentiated models would often be used as a landmark for making men/women identities easier, it is not the same today, with the less powerful sexual social roles and the very specialized and functional norms of roles. In our much more mixed society, masculine and feminine circles do not convey such a differentiated image, as women have been everywhere that used to be for men only, and socialization of girls and boys is not opposed anymore (mixed schools, end of the compulsory military service, rise of a unisexed youth culture...).

The weakening difference between genders has brought a redefinition of the masculine identity, following women’s changes, new social relations of sex, and therefore the rising questions about men’s identity. In order to compensate for this dominant virility, men seem to be taking new identity ways which valorize the private sphere, everyday life, closeness and intimacy (in particular through the improvement on appearances). Thereby, consequently to the transformation of women’s status, a readjustment of men is taking place, in the shift of men’s identity, increasing the importance of the private life within the dynamic of recomposition of social relations of sex. Women now being in the public field, the “outside” seems to have attracted men out of the masculine circles. In fact, “when women change, interacting men change their social status, redefine their position”. From then on “to understand the evolution of men’s behaviour at home, one must look at the global evolution of the men-women relationship in our society” (Welzer-Lang, 1993, P328).

Parallel to the scarcity of areas that used to be for men only (work, sports, café, cars), there is a tendency for men to appropriate feminine territories; men who now seem to emancipate too. Men seem to less and less think that taking care of oneself, valorizing the private and daily life is anti-virile, and they do not hesitate so much about being in places that once belonged to women. Then “enclaves of masculinity are somehow disappearing” (La Ceca, 2002, Cova, Caru, Tissier-Desbordes, 2004). They are looking for new identity paths and do not refer to the unique virile model anymore:

« Man has evolved because he has done so in a new world, a new era. New things are accessible to him. Man evolves, he fits in the society in which he lives!” (Benöit)

« You can now find new lines of jewels, perfumes, cosmetic products and underwear, of course. Anything intimate, in a way, is brought into the open (...). Some taboos are falling, like men taking care of themselves.” (Alexander)

In reality, men and women fit in the new social relations of sex by recomposing their territories and by integrating new identity landmarks, which move the social frontier between the sexes. Since the 1980’s, our society has seen the appearance of what was termed “new fathers”, whose values - re-focusing on the father at home - keep on being democratized. New fathers try to work out an everyday affectionate relationship with their child, breaking off with the traditional image of fathers. « Those « new fathers », who tend to develop « father patterns », claim their feminine side and are ready to give up some masculine values...” (Errand, 2001, P194-195). Thus, C. Castelain Meunier (2002, P33) diagnoses that « traditional/institutional fatherhood » seems to « overtake institutional fatherhood ». The recent example of the paternity leave stresses the institutional awareness of fathers’ will to be in the private sphere. Here is a strong generation break: the youngest ones breaking off with the old virility pattern in which the private sphere was minimised. Age is a particularly discriminative element in those new masculine practices. Some might say that today’s men tend to be more willing to get rid of the « tough guy » stereotypes, and to assert some “masculinism” by strategically taking on the private sphere, just like women in the 1960 strategically took on the public sphere (Commaillé, 1993).

Nevertheless, this emancipatory and egalitarian man discourse is somehow contradictory and reveals a duality in the building of those men’s identities, taking on women’s traditional practices. “Relying on the fact that today’s men are willing to be more involved in parenthood and in their children’s education, the ideal of a positive change in men’s practices is taking place,
regarding family life and domestic work. Yet the statistics show that this improvement in men’s responsibilities does not mean they spend more time on it” (Errand, 2001, P196). Therefore, if men strategically take on the private sphere, this does not mean that they give up masculine codes. On no account is it just an exchange of men/women marks. This is why one must be careful with the meaning of the expression “feminisation” of society as a general alignment on women’s values, for if there is a feminisation indeed, this expression “does not mean that women-related values prevail, but that those values become more visible, tending towards a certain balance with a “masculine” vision of the world” (de Singly, 2001, P163).

Men’s consumption and discourses where gender limits still matter

If the space between men and women is notably diminishing (in particular with men who dare wear men’s lingerie), the interviewee’s statements also indicate backward-looking and traditional schemes belonging to the male “being” and the female “seeming” in both practicing and non-practicing men:

“(Women more than men) must take care of themselves... Why? Because... what I’m going to say might sound stupid, but because girls will be girls and boys will be boys...” (Benjamin)/
“(Taking care of one’s look) belongs to a whole called femininity... I think men as a sex object are pathetic...” » (François)

Stereotypes, which differentiate the “fair sex” from the “stronger sex” are well rooted and internalized by those very men who take care of themselves and use cosmetics or lingerie.

Beauty as a feminine matter is an evidence, a “that’s the way is it” fact which “naturalizes” the image of the female “seeming”. These statements show an incorporation of those indeed inappropriate norms, but which are always there, setting down what you can do as a man or as a woman. Today, men are concerned with their appearance too, but ambiguities still remain in the man/beauty association, which can cause an identity threat for men who worry too much about their look, who spend too much time in the bathroom, who take greater care of their look than their partners do (risk of stigmatization). Therefore, a line can be drawn between the « too much » and the « just », where the principles of normalization of masculine beauty practices are emerging: for normality and standardization must find their boundaries in order to become legitimate, “a limit (being) an instrument of control which separates what can/mustn’t be done from what cannot/mustn’t be done” (Kaufmann, 1996, P53):

“If, by saying lingerie you mean the new generation of boxer shorts, less upright, ok, yeah, men can wear them. On the other hand, I don’t think G-strings or lace are for men, it’s not meant to be made masculine...That’s the way it is...It’s made for women (...). Men’s seduction is something... natural... that’s why, for instance, I don’t think G-strings for men are a good idea... men should wear tight boxer shorts... I’m not sure it would work because it’s a more provocative approach, just like make-up” (Gilles)

This moral condemnation, this rejection, also marks the limit of the principle of tolerance and of the bodily autonomy which appear on the first level of the statements:

“I’m not shocked at all (G-strings for men or lace boxer shorts). I don’t see any problem as long as I’m not the one wearing them!” (Gilles) / “This whole thing about being well-groomed can sometimes be excessive... the way they (gay people) are totally waxed and all... I think it’s over the top.” (Pierre-Henry)

It is fundamental to understand this idea of a boundary defining men’s legitimate territory, for if norms are changing, the frontier between what is acceptable when being a man or a woman still exists. By conquering some of the self-caring practices, men have not erased the frontier between the male and the female consumption of underwear. They have just changed it. If this is
indeed a reconstruction of male and female territories towards more activities and things in common, there still are two territories, two different ways of putting the bodily and aesthetic model into practice. There is still a “we” and a female “they”.

Men who buy new products traditionally belonging to women, do not deny nor ignore their masculinity even so. This is absolutely not a total rejection of manliness, but more of a renegotiated virility, a “neo-virility” which involves a moderate interest in their look:

“I’m ok with it and I’m a guy. I say it loud, I claim it, and I’m not a queer (...) Being a man... does it mean having a deep voice, being imposing, athletic, tall, handsome, taking care of yourself, being hairy? It takes a lot to be a man! So, in general, I see myself as a man. Do I see myself as a manly man? Yeah... I think so... I don’t consider underwear or even cosmetics as criteria of masculinity! (...) Masculinity is not being effeminate because some guys are a little effeminate.” (Sébastien)

Some of the interviewees also reject the idea of looking “cute” as a masculine value; these very people being the ones who want men to be free to take care of their image. Indeed, their very concern must not be interpreted as trying to look cute, for, so far, it does not go together with the idea of what a man should be like, beauty traditionally referring to femininity:

“...I think (the word cute) is derogatory because a cute person belongs to a feminine dimension. I wouldn’t refer to someone as “cute”, but to someone who takes care of himself, who’s smart, who likes to dress well” (Eric)

Therefore, there is still a distinction between male and female practices and representations as far as appearances are concerned, even though they tend to progressively become similar.

Concluding comments

While asserting the masculine/feminine opposition, men seem to escape this binary system by proving themselves capable of playing a game of coming-and-going to the sex frontier.

As for Schroder and Zwick (2004) argue rather than inverting (eg Patterson and Elliott, 2002), the gaze has expanded to offer multiple possibilities for masculine identity to be expressed within the gender opposition. Consequently, several recurrent principles of opposition have been observed as far as appearances are concerned:

- A couple, « I »/« we »–« they » (fem), indicating a tension between the personal, intimate identity and the masculine identity, that is to say between self-appropriation and sense of belonging to a sexed group in a dual mechanism of differentiation, singularization, identification and conformism.
- A natural couple, masculine/artificial, feminine
- A sober couple (normal)/too sophisticated (abnormal)
- A tolerance-freedom-equality couple/rejection, frontier, boundary

Hesitations can be found amongst those tendencies: compromises, arbitration and identity negotiations which are reflected by the gap between practices and statements; male tensions regarding traditions (the traditional virile model of the man/woman opposition) and mutations (new models of self-assertion which valorize privacy, intimacy, appearance, in other words traditional feminine spheres); and the building up of the system of representations aiming at resolving the consequent contradictions. Indeed, those interviews “explain how men’s transformations are not linear, unlike a time when cycles and ways of life were clearly marked and irreversible” (Welzer-Lang, 2005, P22).

The most important question as a contribution to knowledge remains in this extremely complex interrogation: what is being a man? The interviewees obviously answer this question by referring to the traditional role of men (work, head of the family, opposition with the woman) but also by showing difficulties in talking about the masculine identity, in other words in talking about the specificity of their own identity (Duret, 1999, La Cecla 2004,...):

“I don’t know... Being a man means being a human being. (Fall stop). It’s not just about muscles...” (Pierre) “Being a man... I find it quite difficult... you don’t need to be a man or a woman, you just need to be someone... Boy or girl, you knew it when you were born... but in life, at work, it doesn’t make any difference anymore... Being a man, for me, only refers to sexuality, procreation... You won’t find that many roles that are only for men, you know...” (Sébastien)

Thereby, there is a tension between the « I » in an individualistic society where self-identity seems to come first and leads to singularisation and differentiation, and a “we” as a gender identity, a will to identify oneself and to belong to a group of peers. Several interviewees show a certain pride in daring to cross the frontier of a women-only territory (“I managed to do so... it gives you more confidence”). Those words refer to a sense of freedom, of liberty and to the positive feeling, the satisfaction to dare, to assert oneself. Buying products that traditionally belong to women seems to act as an instrument for standing up and going beyond inner resistances, psychological restraints coming from gender socialization, from the incorporation of traditional masculine and virile norms, yet not completely denying them, as we have seen.

While consistent with previous research evoking social fears as barriers to the consumption of aesthetic/ traditionally feminine products and images (Rinallo, 2007; Elliott and Elliott, 2005, Kimmel and Tissier-Desbordes, 2000), this paper shows evolving masculine identity. Some interviewees clearly claim the right to cross the line even if they might experience social stigmatization. By doing this, they do not abandon their masculine values. This states the possibility of a complex myriad of masculinities in a fragmented postmodern world, where traditional masculine values are negotiated with hedonic and aesthetic values in a pursuit of individual happiness. Consumer Research still needs to explore and theorize deeper the masculine identity evolution as regard to new figures of masculinity in the consumer culture.

SELECTED REFERENCES


Living In Double World: Harmonizing Homosexuality And Masculinity Through Symbolic Consumption In Private Space
Nopporn Ruangwanit, Thammasat University, Thailand
Kritsadarat Wattanasuwan, Thammasat University, Thailand

ABSTRACT
This article demonstrates the interpretation of a selected homosexual’s narratives of his consumption patterns and taste which emerge as a refuge from any social stigmatization. These reconstrcut a sense of masculinity while cherishing their homosexuality. The investigation emphasizes various experiential aspects of interior decorative activities of his secret room which is treated confidentially and demarcated from more open rooms. The interpretation indicates that the decoration is employed to sacralize the room which is used for the escapism and romantic ritual purpose. Moreover, the conflated decorative styles of loft and vintage, as reflexive of camp consumption, are discussed in line with an affirmation of masculinity and an embrace of homosexuality. Hypermasculinization is also explored since it creates a cultural superiority over the heterosexual mainstream to achieve the homosexual masculinity.

THEORITICAL POINT OF DEPARTURE
Considerable literature determines that gay men have developed depression as they have experienced social stigmatization (Kilmartin 1994). Gay men, for instance, are socially punished by abusive comments, social ignorance and discrimination and sometime unprovoked violence (MacInnes 1998). Accordingly, many gay men do not truly express their homosexual self in the public arena in order to protect their social privileges which could not be acquired if revealed. As such, closet gay men do not associate with stereotype homosexuality or femininity because they not only intend to minimize the social stigmatization but also attempt to enjoy the advantages of hegemonic masculinity (Connell 1992). In this regard, gay men have a tendency to initiate the strategies which enable them to conceal their homosexual identity in public space in order to preserve social privileges awarded only for traditionally masculine individuals (Potoczniak at al 2007). The strategic concealment of the homosexual self is conceptualized as the development of the set of behaviors which are substantially associated with traditional masculinity and, apparently, disassociated with what is labeled as femininity and homosexuality (Kates 2002). By this regard, these strategic practices can be facilitated by consumption symbolism (Wattanasuwan 2005) which is used to represent symbolically masculine meanings and disassociate from homosexuality and femininity.

Sacralizing the Masculinity
Empirically, it posits that the status of commoditized objects can be enhanced through the sacralization process, the process...
by which the profane is changed by the sacred object and eventually become sacred (Belk et al 1989). In a similar degree, the gay men’s perception of their inferiority to heterosexuals because of their recognition of social oppression can be diminished through engaging in the consumptions and practices which confer them a sacred status (Belk et al 1989). As eliciting the beneficial outcome, sacred objects provide a communitas in which an individual could transcend their existence from the profane, unfavorable stage to the utopia. In utopia, they could refuse from social stigmatization and accomplish their desired self or even create the situation, which is exaggerated to sacralize the self, in opposition to the mainstream. By this regard, to sacralize themselves, gay men would engage in sacred consumption objects and practices to manifest their superiority to the profane mainstream culture. Through the transfer process of cultural meaning, these sacred consumptions and practices operate to sacralize homosexuals and empower them to accomplish the superiority over ordinary heterosexuals (McCracken 1986). Eventually, by doing so, gay men could enhance their sense of masculinity.

Profane could be regarded as ordinary, mundane actions and practices, or, in the similar degree, conventional beliefs and expectations (Belk et al 1989). As such, what opposite to the profane is recognized as sacred. The cultural capital that is gradually accumulated can be employed to create the social strata in which an individual with a higher degree of cultural capital is classified in the superior location against social others and the mainstream culture (Bourdieu 1984). Cultural capital sacralizes gay men and empowers them to situate themselves in the premier position in which they are able to criticize mainstream and heterosexual culture and justify them as inferior. A study by Kates (2001; 2002) indicates that camp, as the form of cultural capital, is the habitus, inherited in homosexuals, that embraces the excess, exaggeration, and flamboyance. As such, camp, as a mode of consumption expression, allows gay men to exaggerate their consumption to distinguish themselves from the mainstream culture and position them in the culturally superior position against not only heterosexuals but also other gay men. By this regard, gay men express and consume in accordance with their superior camp taste to sacralize themselves. With this sacred status, gay men could be protected from the social oppression by mainstream heterosexuals and could transcend themselves from the underprivileged to the culturally desired stage in which they could achieve the desired level of masculinity. Symbolically, sacred consumption in the society in which gay self is marginalized, this location therefore functions as a refuge base in which his sexual partner could enjoy the social rewards conferred by the heterosexual majority. Cultural superiority allows gay men to secure their sense of masculinity.

RESEARCH METHODOLOGIES

The present investigation is intended to understand the consumption phenomenon in which a closet gay man struggles to escape from heterosexual threats and secure his masculine self by concealing their homosexual identity and engaging in hypermasculinization to enjoy social rewards. By using the narrative interview approach, we better understand the complex world of lived experience of an informant through his historical story which could unfold his personal meanings of a particular event and the complex motives that drive his behavior (Polkinghorne 1995). An interview began with “how could you deal with social threats to your homosexuality?” and followed by unstructured questions to delve more into an informant’s emergent narratives. Beside the interviews in his condo (Elliott and Elliott 2003), an observation of different consumption items, especially home decorative items in this study, is engaged to understand their symbolic meanings an informant employs to symbolically affirm his masculinity (Kates 2001). This methodology could contribute to the better understanding of how a gay man who encounters with social stigmatization employs consumptions to construct his masculinity and superiority over heterosexuals. This research provides the theoretical foundation in gay consumer behaviors in which it can be employed to interpret gay’s consumption story in order to understand his underlined motivation that drives his particular consumptions in different context.

This longitudinally ethnographic research has been endured over a course of one year and a half to study the consumption pattern of a closet gay informant. Since he does not publicize his homosexuality, the researcher has invested much temporal resources in an initial period to familiarize with an informant through different activities such as being his gym trainer, shopping and nightclubbing until he has been comfortable to provide his insight narrative relating to his gay self (Kates 2001). The researcher purposively selects this informant since he could satisfy the requirements in that he is a closet gay man who lives his life in the heterosexual dominance while attempts to unlock his homosexual self in his own private space (Mick and Buhl 1992). Moreover, the selected informant is willing to share his experience of sustaining his life in both worlds; which would allow us to explore his consumption behaviors which are driven by both masculinity maintenance and homosexuality embracement.

INTERPRETATIONS OF NARRATIVES AND DISCUSSIONS

According to his narrative, it is apparent that his sense of masculinity is significantly intimidated by both straight and homosexual worlds. He, therefore, employs consumption symbolisms and experiential activities that could empower him to both alleviate from social threats to his masculinity and homosexuality and to construct the desired level of masculinity. Interpretations encompass his strategies to escape from intimidating threats and to reconstruct his sense of masculinity.

The Sacred Room as Source of Escapism: The Refuge Base

Since having lived his life in dichotomous worlds; one in straight and another in homosexuality, an informant attempts to create the place at where he could harmoniously compromise his both lives in order to escape from self-threats by both worlds while cherish his homosexual self. This location allows him to maintain his masculinity while satisfy his desired sense of homosexuality independent of social stigmatization. Since he encounters with the difficulty in maintaining his double identities in the society in which gay self is marginalized, this location therefore functions as a refuge base in which his sexual partner and he are only eligible.

The Secret Room as the Sacred Place for Escapism. As an investor in real estate, he possesses several units of apartment. All of these apartment units, but this secret one, are normally treated either as commodities which are transactioned to generate additional incomes or as where his family members dwell. Only this secret unit is exclusively sacralized (Belk et al 1989) since it is distinctively decorated and also maintained as the sphere in which he privately lives and performs romantic rituals only with his secret partner to fulfill his homosexuality desires.

Max: of course not. I don’t normally allow anyone to get into this room. This room is just only for my partner and
me. We normally spend much of our time together in this room since we cannot truly express our romantic acts in the pubic. I can free my mind, independent of worrisome of any social critique when I’m in this room. Or, I feel safe in this room and I can do whatever I desire. This room is totally different from any other rooms because of its interior design I initiated. Moreover, he (his partner) helps me design this room’s interior as well.

This apartment unit operates to shield him and his romantic partner from potential self-threats to their masculinity; threats of being perceived as sissy or gay. As mentioned earlier, this room is sacred because of its unique decoration differentiating it from other profane units and the treatment by which no one other person than him and his partner is allowed to enter. Moreover, this room’s sacredness is accelerated when his partner and he sacrifice their economic and cultural capitals to fund and conceptualize the room’s interior design (Mol 1976).

The premise of compensatory consumption suggests that when individuals experience the perceived lack of a certain thing and this need could be resolved by consuming a substitute (Grüner 1993). By this notion, the desire of expressing romantic signs with his partner that is strictly tabooed in public arena could be fulfilled in his privately secret place, the sacred room in which romantically behaved activities are completely fulfilled and finally become ritualized. So doing could transform the status of romantic expression from profanity into sacredness that could enhance this secret room’s sacredness. Epistemologically, his secret room and romantic rituals, because of their sacredness, not only allow him to escape from external threats to his self but also transcend him into the desired self; the self in which he is empowered to enhance and cherish his sense of homosexuality, independent of any social stigmatization (Belk et al 1989).

Objects become sacred when they are contaminated or associated with sacred things (O’Guinn and Belk 1989). In the same vein, his secret room is also sacralized through the unique interior design that contaminates it. The room’s interior design is initiated to differentiate its room from any other rooms he acquires. That is, this interior design style is intended to distinguish this room from other profane units (Belk et al 1989). By this end, this secret room appears to be sacred.

The Sacred Loft Interior Design as Source of Masculinity Affirmation.

Max employs the interior design to minimize the commoditization impact to his secret room. By this mean, the selected style of Loft interior design operates to differentiate its secret room from not only other rooms he acquires but also his social others’ rooms. As such, its loft interior design appears to sacralize the secret room.

Max: I want to decorate this room to be different from other rooms that I have and other people’s rooms as well, like my friends’ rooms. I think you can notice that when you leave the elevator and walk down the hallway to my room, you can definitely not imagine that this room is decorated in this style. I want to make it special to my partner and me.

According to an observation of his room’s loft interior design, because of its extraordinary nature, it is intended to sacralize (Belk et al 1989) and symbolically masculinize the room (Elliott and Wattanasuwan 1998). As Max’s extended possession, his room symbolically transfers its masculine meaning to masculinize him (Belk 1988). His narrative toward loft interior design is illustrated:

Max: the core of loft is to display the structure of the room and raw materials used to finish the room. Like, it shows the cement, metal and brick. This décor style shows the parts that suppose to be hidden. Like, it shows the cement on the wall which should have been colored or bricks should have been finished by the cement.

Interviewer: And how do you feel with this style?

Max: I think this style of décor make the room becomes ‘aggressive’ since it’s very rustic. It looks wide and barbarous. Anyway, it’s macho. It’s ‘man mak mak’ (highly masculine). You see those metals ….. they are strong!! Look at that brick….. It’s totally rough. Meantime, those who have seen my room said so as well.

Interviewer: Suppose you, by chance, meet a person who decorates his room similar to your, how would do you think about him?

Max: Kord Man (extremely macho).

It is ostensibly that he employs the symbolic meanings of loft décor style to secure his sense of masculinity. His masculine attribute of aggressiveness (Brannon 1976) is enhanced through his intention to involve metals and bricks in the decoration to symbolize ‘strength’ and ‘roughness’. This lofted room is substantially perceived as macho or ‘man mak mak’ which offers him the heightened sense of masculinity. As such, he consumes these symbolic meanings elicited from loft décor to symbolically reaffirm and reestablish his masculinity, in his private location, which is threatened by different socioeconomic forces. Moreover, the degree of his masculinity is reinforced by his social other’s approval of the masculinity of his room, which, in turn, could allow him to approach the increasing degree of his masculinity. In addition, he projects the imagery man who acquires a room with the same décor style that he is ‘kord man’ which metaphorically equates to hypermasculinization.

It evidently indicates that an informant employs loft decoration style to sacralize his secret room where his homosexuality is cherished and romantic rituals are performed independent of any social criticism. Moreover, decorating this secret room, considered as his extended possession, in the loft style with aggressive and strong manifestation greatly contributes to the symbolic reaffirmation of his masculinity.

Cherishment of Homosexuality through Feminine Decorative Items.

Even though his secret room is dominated by loft concept employed to valorize the room’s masculinity symbolically transferred to enhance his masculine self-image, there are several decorative items, such as red chandeliers and large curtain made from red flashy textile, which is symbolically associated with femininity as reflexive of his effeminate aspect of his self:

Max: You may think that my room is too lofted. But it’s practically not too extreme. I have bought some decorative items that help break the loft. I don’t like either when it’s too lofted. Look things that I bought !! red chandeliers

Interviewer: why did you buy chandeliers?

Max: firstly, they help break the loft, as what I told you. Loft is rustic and aggressive because of displays of bricks
and metals. On the other side, chandeliers are quite sweet and lavish. It’s called vintage style. These two, loft and vintage, are extremely different but they are just harmoniously located in this room.

Interviewer: What else do you consider as similar to chandeliers?

Max: Uhhmm,... Look at this big red curtain by the window that is made from flashy, sleek textile. I installed this curtain to contrast with the loft. Because of its material, it could also add luxurious sense into this room.

Even though, he attempts to illustrate his masculinity through macho-like interior design, his engagement in incorporating effeminate decorative items into the room still exists. In Thailand context, chandelier is perceived to be associated with femininity, especially the red chandelier whose personalities incorporate effeminate aspects. According to an interviewee’s consumption text, chandelier is also interpreted as a woman and is then purchased and installed in his apartment in order to moderate its rustic appearance which represents masculinity. This consumption practice exemplifies the postmodern consumption in which distinct dualism are allowed to be juxtaposed (Firat and Venkatesh 1995). An intermingle of masculine and feminine decorative items is achieved through his superior cultural taste and this also indicates the appreciation of both masculinity and femininity which could classified as camp taste, a taste that cherish the homosexuality (Kates 2001). Some gay men freely conduct consumption practices comfortably in public space (Kates 2002). For him, since he has to endure his straight life in public, all activities or objects symbolically correlated with femininity (red chandeliers and flashy curtain) are not supposedly consumed in public arena but rather in his utopia in which he is allowed to materialize and satisfy his feminine facet of the self.

Paradox of Masculine Interior Decoration: The Campy Room

On one hand, loft style is employed to reestablish his masculinity. On the other hand, this unique style also signifies embracement of his inner sense of homosexuality.

The Meaning of Loft: An Appreciation of Masculinity and Homosexuality. Loft decorative style is conceptualized to symbolically affirm his masculine self. Its paradoxical concept tacitly represents the socially oppressed circumstance in which masculinity and femininity are intertwined and become exaggerated could be conceptualized as the campy taste. These dichotomous dimensions which are harmoniously intertwined and become exaggerated could be conceptualized as the campy consumption which is indicative of ideology of tasteful gay consumption (Kates 1997). However, their synthesis exemplifies his attempts to reverse perceived imbalances between gays and heterosexuals through the cultural capital of taste (Kates 2002) which is also employed to construct aesthetic superiority over the heterosexual mainstream culture.

Moreover, his décor style epitomizes his intention to denigrate and challenge the mainstream culture and conventional thoughts (Babcock 1978). The degree of antagonism to the mainstream culture is intensified when he sprays his room wall by graffiti art:

Max: this curtain is made from metal chains. It’s used to divide areas between foyer and inner area. It seems like I enter into another world in which I can be what I wanna be.

Interviewer: Why metal chain?

Max: Firstly, as mentioned, I wanna make this room unique. Secondly, it’s ‘man mak mak’. Look very harsh and raw. Meanwhile, it’s a curtain so it represents a woman. It’s an iron woman. I like it very much.

Certainly, this curtain operates to separate the sacred area (inner living area) from the profanity which is foyer area in which he allocates for the shoe inventory (Belk et al 1989). Moreover, because of its intention to distinguish the inner living area from profanity, it acquires the power to sacredly contaminate him and transcend him into the communitas in which he could enjoy his publicly tabooed self independent of encountering traditional social norm (Belk at al 1989; Turner 1969). On one hand, the curtain allows him to transcend from straight into homosexual self. On the other hand, since made from the rustic-like materials, this curtain is employed to symbolize macho or masculinity and, in turn, to tacitly communicate his admiration to the masculinity. However, on the contrary, the curtain is perceptually viewed as a woman; a woman in chain or what he terms is ‘the iron woman’. The iron woman could be stereotypically conceived as a highly masculine woman who could assume the male gender role. Correspodingly, this chain-like curtain symbolically resembles to camp celebrities who are characterized in both stereotypically masculine and feminine aspects (Kates 1997). Kates indicates that most of camp celebrities are proportionally women (the curtain) with relatively greater masculine attributes (the metal chain). As such, an installation of the chained curtain, with symbolic characteristics of the amalgamation of masculinity and femininity, provides an exemplar of the cherishedness of homosexuality through the campy taste.
Max: I think I’m the very first one who sprays on the wall in multi colored graffiti style. I think I feel liberated!! and I can break all the social rules then since the graffiti is not supposed to appear in the high-end condominium room.

Interviewer: How do you feel about the graffiti?

Max: It’s very rustic!! I think it’s even more rustic than Loft style.

Apparently, the graffiti epitomizes the manliness and its meaning is transferred to Max to enhance his masculinity. On the other hand, it demonstrates the intense degree of his antagonism to the mainstream culture.

His interior style signifies the consumption in postmodernity in which the permutation of the opposites is appreciated and exaggerated (Firat and Venkatesh 1995) and is then drawn to manifest the greater degree of cultural capital which is exploited not only to create the superiority over heterosexual but also to negotiate the social distinction within the homosexual boundary (Kates 2001). By this regard, he employs his cultural capital to create cultural dominance over social others in a homosexual affiliation and finally achieve the greater degree of masculinity (Kimmel and Tissier-Desbordes 1999) relatively to other gay men:

Max: If I compare my room to my closed gay friend’s room, they are totally different. His room is filled with lots of mass-produced decorative items, even he spent a big money on decorating it. The decorative style and items are just seen anywhere…. No creative!! It just looks like SB design. (SB is the furniture brand with a mass-production of different decorative items)

Apparently, his cultural capital empowers him to justify his gay friend’s taste of decoration. By this mode of comparison, his superiority over significant gay others is increasingly substantiated and he could therefore achieve the hegemonic masculinity. By this regard, his superiority is therefore constructed through structuring the boundary through aestheticizing the consumption of the highly tasteful interior design as a marker good which is instrumental to manifest the greater degree of masculine superiority over heterosexual males and the higher degree of distinctiveness over other homosexual friends (Kates 2002). The campy decoration allows Max to reaffirm his sense of masculinity while cherish his homosexuality.

CONCLUSION AND DISCUSSION

The present study produces a contribution to knowledge in consumer research in the area of consumption behavior of homosexuals, especially those who situate in the world which is dominated by the binary opposition; one in which they attempts to cherish the homosexuality and another in which they may encounter with social stigmatization if their homosexuality is publicly observed. This study investigates the closet homosexual’s consumption phenomenon which is created both to reduce their tension likely occurred from the divergence of conventional masculinity and homosexuality and to balance their double dichotomous self (Kates 2002).

Construction of Homosexual Masculinity

Much of literature confirms the evidence in which homosexuals suffer from social stigmatization in the dominantly heterosexual culture (Week 1985; Connell 1992; Canary and Dainton 2003). As socially constructed, men are expected to endure the masculine attributes (Brannon 1976) in order to enjoy the social privileges and rewards. As such, if men manifest any behaviors as opposed to what considered as hegemonic masculinity or homophobia, they may be seen as gay and eventually encounter with social stigmatization by various institutions in society (Week 1985; Donaldson 1993). For homosexuals, their continuing enjoyment of the fruitfulness of availably social resources can be sustained as long as they could maintain their self-protection mechanism in which their homosexuality is concealed. Accordingly, the implication of various forms of consumptions and experiences of contemporary homosexuals are symbolically constructed to enhance his public masculinity. Consequently, they are highly self-monitoring and prevent their disposition and manifestation from being associated with effeminate or homosexual ideology. Under this implication, they have a tendency to establish hypermasculinity to compensate for the perceived lack of their masculinity. This likelihood is also empirically evident in the subculture of gay bodybuilder and gay clones; the subculture in which their members attempt to hypermasculinize their body to diverge from what labeled as homosexuality and femininity (Klein 1990; Levine 1992).

Apparantly, homosexual masculinity, which enacts gay men to become hypermasculine, originally emerges from gay men’s experience of marginalization arisen by the perceived lack of their relative masculinity. As such, by the premise of compensatory consumption theorem (Grunert 1993), to compensate for their lower degree of masculinity, they actively look for various symbolic resources (Wattanasuwon 2005) to construct hypermasculinity not only to symbolize their superiority over heterosexual but also to provide him a protectionism from social stigmatization by mainstream culture (Connell 1992; Kates 2002). Relating to this study, the homosexual masculinity is achieved by hypermasculinizing the self which symbolizes the superiority over heterosexuals.

Homosexual Masculinity and Camp Decorative Design

In order to protect their socially fragile facet of their self, homosexuals then pursue the extreme masculinity; a masculine form that is exaggerated by consumptions of available symbolic resources to symbolize the culturally superior differentiation from putative mainstream culture (Kates 2002). For this research, objects of consumption beneficial to this exaggeration discourse include both the secret room in which an informant refuges and protects him from social punishments, and the interior decorative design which is circumspectly adapted to hypermasculinized room and, apparently, himself through its meaning transfer process (McCracken 1986). Although the loft decorative style is capitalized to substantially symbolize the intensified degree of masculinity, there appears to be several camouflge decorative items symbolically associated with femininity. This tasteful fusion reflects the stereotypical characteristics of homosexual aestheticization (Sonong 1964). This campy design where rigorous masculine attributes and latent feminine senses are conflated and exaggerated are considered as a form of culturally aesthetic capital a homosexual invests to establish the symbolism of hypermasculinity to culturally situate himself above dominant heterosexual mainstream (Kates 2001). As having accumulated their habitus of cultural capital (Bourdieu 1984), homosexuals can then develop the social classification in which they are situated in the higher order and culturally superior to heterosexuals.

It is empirically evident that homosexual masculinity is reflexive of the discourse of hypermasculinity but not by the practice of over-mascularization discovered in gay bodybuilding subculture. Rather, the hypermasculinity, at least in this cultural context, is concretized through the cultural capital by which
homosexuals employ to illustrate the greater degree of their aesthetic taste over heterosexuals. Simply put, the campy consumption allows gay men to secure and enhance their masculinity by aestheticizing cultural meanings to achieve the superiority in the mainstream society. Finally, campy taste can be deployed to empower homosexuals to transform themselves from being considered as minority to be perceptually situated in where they are even superior to mainstream majority.

Challenge to Conventional Discourses of Masculinity

It has long been historically documented that gay men have been stigmatized by the various conventional institutions and mainstream beliefs and are also perceived as being substandard to hegemonic masculinity (Meyer 1995). Social antagonism to homosexuality provides rationales for gay men to secure their right and oppose against the heterosexual and mainstream culture. This counteraction is not only evident in homosexual group but also found salient in other subcultures deviant from putative mainstream culture (Brake 1985; Watson 1998). In postmodernism, consumption symbolism is engaged to construct the identity deemed to be acceptable in the society (Firat and Venkatesh 1995). In the similar degree, however, gay men could also consume various products and activities to create their identity that appears to be opposed to socially accepted norms. By this regard, the juxtaposition of binary oppositions of masculinity loft and vintage design together with graffiti art are employed to embrace the anticonventional discourse signifying the hostility to the heterosexual culture.

Ostensibly, a creative modification of consumption objects and practices can be employed by homosexuals and other stigma to appreciate the pluralism and fusion of opposites which signify the challenge to the mainstream culture. Moreover, if this creative discourse is contested culturally aesthetical, such as camp consumption, it could empower gay men to construct the identity culturally superior to heterosexuals and to be able to dominate the mainstream discourse.

REFERENCE


Bawer, Bruce (1993), A Place at the Table, New York: Poseidon.


Laverie, Debra, Robert E. Kleine III and Susan Schultz Kleine (2002), “Reexamination and Extension of Kleine, Kleine,


Website Innovativeness: Development and Validation of the Measure
Edith Tremblay, Yellow Pages Group
Anik St-Onge, Assistant professor, UQAM
Jean-François Ouellet, Associate professor, HEC Montreal
Sylvain Senecal, Associate professor HEC Montreal

ABSTRACT
The main objective of the research was to develop a website innovativeness (WSI) measurement scale. Following Churchill (1979), a literature review was performed to define the WSI concept and generate measurement items. Additional items were also generated following individual interviews with consumers. Two factors, novelty and appropriateness, emerged for the exploratory factor analysis. The proposed WSI measurement scale, in addition to being reliable, showed some evidence of content, discriminate, and construct validity. Based on these findings, theoretical and managerial implications are discussed.

EXTENDED ABSTRACT
Although the Internet is one of the most significant developments in retailing in the last 50 years, e-commerce still has not reached its full potential (Amato-McCoy, 2006). Dholakia and Rego (1998) suggest that a company website does not currently provide significant competitive advantages since it must compete with thousands of similar websites. In addition, consumers do not seem satisfied with current websites and would like to navigate on new and different websites (Blake et al., 2005). In order to get out of this cluttered environment and better satisfy consumers, firms may implement innovative functionalities on their website. In fact, being innovative online may increase website popularity (Dholakia and Rego, 1998). Hult et al. (2004) show that the performance of a firm is influenced by its innovativeness. If the same relationship holds true online, investigating website innovativeness and how it can be assessed becomes an important strategic issue for online retailers. Thus, the main objective of this research is to develop a measure for website innovativeness (WSI).

In the literature, the concept of innovativeness has been studied from several perspectives, including product innovativeness (e.g., Cantalone et al., 2006), consumer innovativeness (e.g., Goldsmith and Hofacker, 1991) and brand innovativeness (Ouellet, 2008). Conceptually, innovativeness is suggested to be a multidimensional construct composed of at least two dimensions: appropriateness and novelty, Sethi et al. (2001) define appropriateness as the “Extent to which a given output is viewed as useful or beneficial to some audience” (p. 74) and novelty as the “Extent to which a concept, idea, or object differs from conventional practice within the domain of interest” (p. 74). Moreover, a recent study of Ouellet (2008) considers another dimension of innovativeness, namely the frequency of novelty introduction. Hence, we propose the following definition of perceived website innovativeness: Consumers’ perception of how frequently a website introduces and updates new features that are beneficial for consumers. This definition encompasses the above three dimensions of innovativeness (appropriateness, novelty, and updating).

In order to develop the WSI measurement scale, we followed the procedure proposed by Churchill (1979). Following the definition of the WSI concept, a set of items were generated based on the literature and on thirteen consumer interviews. Once generated, items were then submit to four e-commerce experts. This step was followed by the development of a questionnaire, which was pretested (n=7) and then sent to a list of consumers via email. The final data collection sample was composed of 278 consumers. At each step the items were modified, eliminated, or unchanged in order to arrive at a final WSI measurement scale.

An exploratory factor analysis with varimax rotation was performed. Based on the screen plot analysis, two factors clearly emerged. The first factor explaining 44.07% of the variance represented appropriateness items and the second factor explaining 24.50% of the variance represented novelty items. In addition, the reliability coefficient was more than satisfactory for each dimension (.977 for the appropriateness dimension and .940 for the novelty dimension). The proposed WSI measurement scale (25 items) and its more parsimonious version (8 items), were tested for discriminant, content, and construct validity. Results strongly support its content and construct validity, while results for the discriminant validity were inconclusive.

From an academic standpoint, the present research extends the concept of innovativeness by showing that it can be applied to websites. As suggested by research on innovativeness (Sethi et al., 2001), appropriateness and novelty form the two dimensions of website innovativeness. The updating dimension did not surface in our analysis, except for the frequent website user group. For this specific group, it seems that the updating dimension of WSI is also an important dimension, which lends some support to the three dimensional view of innovativeness (Ouellet, 2008). However, additional research is needed to support this finding. It has to be noted that the type of websites used for the final data collection, i.e., travel website, is not the best type to test the updating dimension of innovativeness. A type of websites more frequently used by consumers would be better to test the relevance of the updating dimension (e.g., news, weather, portals, etc.).

For managers, this measurement scale could be quite useful. First, the WSI measurement scale can help managers assess the innovativeness of their website and of their competitors’ websites. Furthermore, it can help pinpoint which dimension of WSI is dominant or lacking. Although novelty seems to be the most important dimension, appropriateness also needs to be carefully addressed when innovating. Thus, innovative features must be introduced carefully to ensure that they are useful to consumers. Managers need to surprise consumers, while ensuring that the site is still functional and easy to navigate. Firms can also use the WSI measurement scale to verify the congruence between the innovativeness of their website and their brand. In addition, for frequent visitors, content updating seems to be a relevant aspect to consider.

The main limitation of this research undoubtedly comes from the sampling method used. Since convenience samples were used, results may not be representative of the population. Thus, additional research using different samples is needed to bring additional support to our findings. Future studies should also use confirmatory factor analysis to validate the structure of the proposed scale and its more parsimonious version. Additional studies are needed to retest the discriminant validity of the WSI measurement scale and the relevance of the updating dimension. Finally, the WSI measurement scale should be integrated in a larger conceptual framework in order, for example, to test the impact of innovativeness on outcome variables such as revisit intentions, conversion rates, and satisfaction.
REFERENCES


Amato-McCoy, Deena M. (2006). "Imagine the Possibilities", *Chain Store Age*, 82 (9), 2C-2C.


EXTENDED ABSTRACT

Very few formal theories exist to guide advertisers in their creative journey to connect with their prospective consumers. In an attempt to formalize the copywriters’ often chaotic process of generating ideas for advertisements, Kover (1995) proposed “implicit theories” that guide their creative enterprise. An emotional connection to the viewer and to the brand is central to the implicit theory. In order to make an emotional connection to the viewer, copywriters’ communicate with an internal “other.” If the copywriter succeeds in breaking through the resistance of this “other” a dialogue is initiated. In direct contradiction to the idea that ad viewing is passive and invokes low involvement, Kover (1995) proposes that once a dialogue is established between the copywriter and the viewer, high involvement is triggered, and the dialogue becomes meaningful and effortful for the “other.”

Copywriters are always looking for ways to connect with this internal “other,” and rely heavily on focus groups in the past. However, in an increasingly busy world where consumers routinely trade off time for money, traditional research techniques such as focus groups have been declared “dead” in favor of more interactive techniques such as IM chats with customers (Kiley 2005). For example, exasperated with focus groups, Yahoo recently moved to “immersion groups” where Yahoo’s product developers talk to four to five people informally to generate new product ideas. Similarly, in an attempt to understand their customers more intimately, major marketers such as Nike, Victoria’s Secret and Proctor & Gamble spend considerable resources in watching their customers go through their daily activities, often with cameras mounted on their eye glasses to see “what they see”(Ellison 2005).

The purpose of this paper is to explore how information technology fosters opportunities for copy writers to make their implicit theories about their target audience explicit. Using Kover’s (1995) implicit copy writers’ theory, I develop the idea that information posted on on-line peer-to-peer (p2p) communities can help copy writers’ to peek into the contextual, experiential, and participatory consumer knowledge that is “constructed” as people interact in social contexts. This psycho-socio-cultural knowledge can be invaluable to copywriters in making some of their implicit theories explicit for effective copy design.

Several researchers have tried to formalize the unstructured creative process by proposing theories of creativity (Kovar 1995; Johar, Holbrook, and Stern 2001; El-Murad and West 2004) that help guide the creative personnel. Central to these formalizations is the idea that creativity involves problem solving through generation of novel and practical insights (Sternberg and Lubart 1991; Johar, Holbrook and Stern 2001). This paper maintains that p2p communities afford a natural forum for consumers to leverage the distributed expertise at problem solving to collectively generate creative solutions to individual problems. These creative solutions can shape advertising strategy by providing unique insights to advertisers.

Using the netnographic method (Kozinets 2002), I analyzed online messages posted on two asynchronous disease-specific, p2p electronic bulletin boards (EBB) designed to provide a forum for people suffering from a particular disease. This longitudinal analysis of collective interactions revealed consistent problem resolution themes organized around medical knowledge deficiencies, personal support, medication support, and physician engagement. These problem resolution themes provide information on symbolic, psychological, and social meanings that consumers ascribe to their problems and are largely unavailable to copywriters through conventional research methods such as surveys and focus groups where consumer experiences are framed by the researcher rather than by consumers themselves.

The goal of creative communication strategies is ad memorability. Typically, advertisers depend on copywriters to deliver taglines that are powerful, original, believable, and talk to consumers in their own language while simultaneously connecting to their self. Consumer created digital collages (Belk, Ger, and Askegaard 1997) shaped by on-line conversations within p2p communities can help in this process since the linkage to consumer self is already embedded in these discourses. Such copy can enhance ad credibility by making the talking points relevant to the target audience. Implications of such grounded, experiential, and hermeneutic analysis of on-line health bulletin boards are discussed.

REFERENCES


Iconic brands have the potential to take on sacral aspects that elicit consumer devotion and strong loyalty. Just a few weeks after introduction, it became evident that Apple’s iPhone was such a brand. This paper presents two sides of the iPhone euphoria. From the U.S. market, we present an interpretive analysis of the devotion, cultism and conflicted emotions among iPhone innovators. Not only iPhone devotees express elation with and admiration for the brand, the deity-like character of the brand motivates them to overlook flaws and to defend their faith diligently against doubters. In Asia, iPhone services were not available even a year after the product launch, and this spawned a gray market culture characterized by unauthorized unlocking of iPhone by rebellious hackers and the Robin Hood-like admiration of the rebels by lay consumers. The brand culture of iPhone is being shaped by intersections of these strands of devotion, desire, and rebellious co-creation.
While the nation remains a frame of reference in many marketing studies, it is rarely examined as a construct. Consumer researchers have generally taken the nation for granted, as the natural political form of modern times. For example, consumer researchers have often used the nation in studies seeking to expose cross-cultural differences in consumer behavior (e.g. Clark 1990; Lin and Miller 2003). Researchers in marketing have also studied how institutions brand nations through campaigns such as “Cool Britannia” or “Amazing Thailand” (O’Shaughnessy and O’Shaughnessy 2000). We need to go further in treating the nation as a specific type of institutional arrangement and as a structuring framework constructing people as citizens (Hannerz 1997). The nation is a relative newcomer in human history, yet we have come to see nations as natural, as part of the landscape, without questioning how nations came to play such an important role in our lives.

As consumer researchers, we need to study the nation as an oddity if we want to fully understand how nations play such an important role in the life of consumers. Many brands rely on ideas and images of the nation to increase their appeal. For example, the Indian brand of motorcycle Bajaj has reached mythical status by claiming to be the motorcycle of all Indians through the slogan “Hamaara Bajaj” (our Bajaj). In Thailand, the brand of beer Chang rose to prominence by evoking the resilience of Thai people in the face of adversity, an especially powerful message after the financial crisis of 1997. There is also plenty of evidence that consumers care about the nation where products come from and that these concerns can transcend intrinsic product or brand attributes (Klein, Etteson and Morris 1998). But while we know the importance of nations for consumers, we still know little about the role of marketers in strengthening this relationship.

Commercial practices have always played an important role in shaping notions of nationhood. In a seminal book, Anderson (1983) shows that newspapers, novels and other forms of print media played an important role in the emergence of nationalism: it was print media that allowed people to feel connected to other people in other places, even though they had never met each other. Print media allowed people to feel they were sharing the same landscape and the same time. Today, other types of media play a similar kind of role in building notions of what it is to be Indian, Thai, or American. The branding examples mentioned above are one of many instances where electronic media, in the form of branding messages disseminated through various channels, shape notions of what it is to be of a specific nation. Branding and other marketing activities help build the nation.

This session details this relationship between marketing practices and the nation in three diverse and complementary ways. Cayla’s paper investigates the role of marketers in shaping ideas about Indian tradition. Drawing from historical approaches on the invention of tradition (Hobsawm and Ranger 1983; Bhabha 1990) this first paper examines how companies take customs that were tied to specific regions and communities, and re-invent them as Indian traditions. The paper contributes to our understanding of marketing globalization by going beyond the idea of companies adapting to cultural norms. This paper shows, with the detail afforded by ethnographic investigation, how even foreign companies and marketers play an active role in shaping ideas about the nation.

In the same vein, Mathew’s paper examines how marketing and advertising play an important role in erasing economic disparities and caste differences. An analysis of marketers’ efforts to sell the “India Shining” campaign is particularly helpful to understand the role of marketing in advancing the national project. Finally, Zhao and Belk’s paper offers a fascinating contrast to the Indian context. The authors take a historical perspective to show the role of advertising and marketing in fashioning ideas about Chinese modernity.

Overall this session fills an important gap in our understanding of marketing’s role in the construction of the nation. We believe a comparative approach that looks at China and India is especially important and novel. The comparison between India and China is pertinent in this specific context: both countries are extremely heterogeneous and marketing plays an important role in erasing this heterogeneity by inventing an Indian or Chinese consumer; both countries have faced many controversies regarding the arrival of foreign products and habits, encounters that continue to fuel nationalistic discourse. Such considerations are especially important given the current opening of these two countries to more and more foreign companies, and the accompanying rise of nationalistic and regionalist claims.

By looking at the relationship between marketing and the nation, we go beyond debates about the relative merits of globalization versus localization that exist in consumer research and in marketing. Further, our studies all question some fundamental principles and assumptions in consumer research, such as the tradition/modernity binary and teleological visions of history and the global economy. All three studies help de-construct the idea of “emerging markets” and help us reflect upon some critical issues for consumer research: how have nations come to be so important in consumer’s lives? What is the relationship between tradition and modernity in today’s globalizing world?

LONG ABSTRACTS

Nostalgia for a Past that Never Was: Marketers and the Invention of Tradition
Julien Cayla, Australian School of Business, University of New South Wales

The globalization of the marketplace does not necessarily mean that the nation is withering away. The arrival of multinationals in emerging countries such as China and India has not eroded the importance of the nation. In India for example, the nation remains a powerful referent in many advertising campaigns. For example, in recent commercials for Indian property developer DLF, Bollywood film star Shah Rukh Khan invites audiences to say “no to Singapore, no Dubai, no London” and instead feel proud about the rapid development of large Indian metropolises (Cayla 2008). Indian traditions and rituals, rather than disappearing with the arrival of Western goods and services, are omnipresent on television, in newspaper ads or in cinematic representations of the Indian family.

Foreign companies and marketers play an especially active role in reviving and refining ideas about the nation, and especially what constitutes Indian tradition. For example, while diamonds have not, until recently, been a central part of bridal jewelry, the Diamond Trading Company tries to portray diamonds as
auspicious and traditional by associating diamonds with a religio-
ritualistic imagery. Similarly, chocolate maker Cadbury has helped
promote regional rituals, such as Karva Chauth, a North Indian
ritual Chakravarty 2004) that reflects the well-being of her husband. This
go against the notion that global companies necessarily
emphasize their foreign-ness in emerging countries (see Batra et al.
2000) or that the arrival of foreign companies necessarily means
that India is becoming more Westernized. Rather, the globalization
of the Indian economy has led to new articulations of what
constitutes Indian tradition.
To appear Indian, many foreign companies emphasize the
continuity with the past, endowing new types of commodities and
services with the aura of tradition. They have helped define what
constitutes an Indian tradition, an especially complex task in a
country as diverse and culturally heterogeneous as India. In
analyzing this phenomenon, we draw upon the groundbreaking
work of historians Hobsbawm and Ranger on the “invention of
tradition” (1983). Hobsbawm and Ranger show that many practices
which are considered traditional are in fact quite recent inventions,
often intentionally constructed to serve particular ends. Hobsbawm
argues that the invention of tradition occurs most frequently during
periods of rapid “social change to establish or symbolize “social
cohesion or the membership of groups, real or artificial
communities” (p. 9).
These insights about the invention of tradition in times of
intense of social change are especially relevant to this study of
foreign companies in their passage to India. In order to appear as
“sons of the soil”, many foreign companies have used tradition as
a sort of veil covering their foreignness, endowing products and
services with Indian iconography, Indian rituals and situations.
Drawing from prolonged ethnographic work conducted in India,
we follow a select number of these foreign companies as they try to
to become more Indian. We analyze the process by which certain
rituals and traditions that are specific to certain communities, such
as Karva Chauth, become pan-Indian.
This study’s findings challenge the idea that emerging
economies are embracing Western notions of modernity. Rather,
we argue that the spread of capitalism and the arrival of foreign
companies contribute, among other social changes, to the
reinforcement and the re-invention of tradition. These findings
are consistent with past research highlighting that the technologies
of capitalism create new spaces for the expression of tradition
(see Chakravarty 1998; Majumdar 2004; Mazzarella 2003; Gerth
2003). We show that the globalization of markets contributes to
reinforcing, rather than diluting, tradition and that the globalization
of the marketplace is best understood as the development of
alternative modernities. Furthermore, we use our findings about
the invention of tradition to show how marketers help shape ideas
about the nation. The relationship between marketing practices
and nationalism is a dynamic one with marketers constantly
helping define ideas of nationhood. Finally, we use our reflections
to highlight the critical role of marketers in making and selling
culture in the global marketplace. In doing so, we extend previous
research on the shaping of cultural categories (see Thompson and
Tian 2008; McCracken 1984) to a global terrain. Overall, this
study helps change the way we view the role and importance of
the nation in the globalization of the marketplace.

Imagining India:
Narratives of Class and Caste in Indian Advertising
A.F. Mathew, Mudra Institute of Communications
The narrative of India as the “next power to be” is dominant
in newspaper stories and talk about India’s economic rise. The
great rise of the Indian middle-class has been celebrated as one of the
greatest marketing opportunities of this new century
(McKinsey 2004). Neo-liberalist discourses and images are also
pervasive in Indian advertisements which celebrate the rise of
urban, cosmopolitan Indians. However, this view is laden with
tremendous structural anomalies at the ground level. In many ways,
India remains extremely heterogeneous, with wide economic
disparities existing across social classes and between the lower
and upper castes. This paper first examines such disparities before
moving to the realm of advertising and its role in imagining India.
While there are many signs of economic growth in India,
the economic picture is not as optimistic as most media reports
seem to suggest: throughout the 1990s, exports have been growing
at a slower rate than imports; debt in dollar terms nearly
quadrupled during the 1980s from around $20 billion to $82
billion in 1990; debt to banks and private individuals increased
more than ten times from just under $2 billion to $22 billion
(Chandrashkehar and Ghosh, 2002; Deshpande 2001). Most
notably, there is tremendous mismatch between growth and its
distribution leading to a rise in economic disparities (Kumar Singh,
India has 221 million of its population undernourished ahead of
sub-Saharan Africa’s 203 million and China’s 142.1 million (Times
of India 2006).
Furthermore, while caste is usually absent from discussions
in marketing and advertising departments, it remains highly
pertinent to understand Indian material conditions. Caste is
pervasive in rural India with numerous tragic cases or rape and
mural work on the basis of caste divisions. The argument that caste is
a rural phenomenon also does not hold, for in cities, people doing
menial work, cleaning sewage, toilets or doing domestic labour
are all from the lower castes. In some cities, there might not
physical traces of untouchability but it has been replaced by social
discrimination and exclusion. Caste is pervasive in all spheres
and this has happened primarily because caste has had this
historical ability to adapt to changing modes of production.
The objective of this paper is to show how marketing images
and discourse erase, in the moment it takes to view a commercial,
these drastic social and economic inequalities. Advertising historians
have often highlighted the disjunctures between advertising images
and the economic reality of the marketplace (see Marchand 1985).
In this paper, we go through an analysis of Indian print and
television commercials to illustrate such disjunctures in a Third
World context. Across product categories, what comes out is a
dominant caste and class narrative.
We conclude by highlighting how such disjunctures become
problematic and controversial. More specifically, we study in detail
the India Shining campaign. Between December 2003 and January
2004, the political party in power broadcast a campaign to
celebrate India’s economic success and prepare for the next
election. The India Shining commercials aired 9472 times on all
the leading television channels. The ads featured success stories of
Indian entrepreneurs being able to start their business, students
having access to education loans and increasing foreign exchange
reserves. By examining this campaign and others, we show how
advertising images and marketing rhetoric plays an important role
in selling a certain idea of India, in imagining an India that can be
sold to foreign companies and investors. By showing the role of
advertising in advancing the national project, we show the intricate
links between marketing and the construction of national imaginaries.
Most research on Chinese advertising focuses on contemporary China and has ignored the country’s first encounter with global brands in the Republican era (Cochran 2007; Yeh 2007; Zhao and Belk 2008). In this paper, we examine how nationalism was represented and reinterpreted to promote consumption in Republican era Shanghai (1912-1949). We seek to understand how advertising contributes to the construction of an imagined national identity from a historical perspective (Anderson 1991; Appadurai 1996; Kemper 2001; Mazzarella 2003).

Despite its hostility toward Western commodities, China was quickly inundated by the flood of foreign goods with its defeat of the 1842 Opium War (Dikotter 2007). By the 1930s, Shanghai has become the fifth largest city in the world with a rampant consumer culture. Night clubs, department stores, teahouses, theatres, amusement parks, golf courses, and dance halls constituted only part of its consumption-scape. Branded consumer goods from Japan, America, Europe, and Southeast Asia were on constant display (Chan 1999). The widespread desire for consumption was fueled by a sophisticated advertising infrastructure of billboards, radio, cinema, storytelling in teahouses, newspapers, and magazines (Crow 1937; Liang 2004). The desire for exotic commodities was also accompanied by resistance and boycotts against foreign imports (Gerth 2003). These boycotts were a part of China’s broader efforts in self-strengthening, but they were quickly turned into advertising campaigns to promote Chinese manufactured goods, or “national products” (Yeh 2007). A product could be either domestic or imported, and native or foreign, depending on its perceived place of origin. A product could also be seen as either Chinese or Western, and traditional or modern, given the differences between China’s past and present. Products such as Tobacco and matches could be national in the sense that they were domestically produced. At the same time, they were symbols of imperialism because cigarette smoking was an imported habit (Yeh 2007). Advertising mixed the foreign and modern with the Chinese and traditional. It was instrumental in domesticating a transformed way of everyday life in Republican Shanghai (Dikotter 2007). Although Chinese consumers continued to embrace foreign products during the boycotts (Crow 1937; Dikotter 2007), advertising played an important role in articulating China as a modern nation state (Gerth 2003; Yeh 2000, 2007). The consumption of national goods was constructed in advertising as a fundamental part of Chinese citizenship (Gerth 2003). Nanyang Tobacco Company’s ads appealed to patriotism and urged consumers to support Chinese companies rather than brands of the British American Tobacco Company. The growing awareness of China as a nation with its own national products influenced the nascent consumer culture in Shanghai. Similar to the Republican era, tensions between the global and the local, and between consumerism and nationalism are still evident in today’s China. The country’s continuing rise to a major power in the world is accompanied by an increasing visibility of nationalism (Hughes 2006). There is now apparent pride in Chinese brands and renewed interest in its neglected past. Yet there is irony. In Shanghai, colonial mansions are being reopened and historical landmarks are being restored. Mao-themed restaurants invoke nostalgia for the hardships and poverty of the cultural revolution. Restaurants and shops are lionized for their connections to the early 20th Century Republican era. We also discuss the historic roots of such nostalgia.
The role of sacred and profane objects has been well founded in consumer research for some time. Belk, Wallendorf, & Sherry’s (1989) seminal paper underlines the pervasiveness of the sacred within modern consumer culture. This research takes a reflexive look at one particular aspect of the sacred and profane relationship; that is, the way in which the sacred is kept separate and detached from the profane as a means of maintaining the importance and power associated with the sacred.

By drawing on a reflexive stance to this research the film presents the results of one interpretation of an Indian wedding. Reflexivity in this case, allows for the researcher to engage with the research site, but also accept his or her own biases and theoretical dispositions (Joy et. al 2006). The results presented show how audial and visual cues are exaggerated to illustrate the importance of sacred events in the lives of Hindu Indians. Although this research focuses specifically on a North Indian Hindu wedding the results from the research offer explanations for the exaggeration of audial and visual cues in other contexts.

This research uses the artistic concept of negative space as an analogy for how the sacred is contrasted with the profane. White space, Negative space or Silence all refer to the role that pauses or emptiness play in promoting the focus of a particular subject (Murray 2005). For example, in music, without the silence between the notes the notes themselves lose meaning (Zakia 1993). One may not consciously be aware of the negative space that encompasses a piece, but without it the nature of the artistic creation is often muddled and lost in the composition (Brittain & Beittel 1960). It is when the difference between the negative and positive space is overly exaggerated that one can more clearly see the positive, but also the role that the negative plays in framing the subject itself.

This research shows how the contrast between the positive, in this case a wedding, and the negative, the everyday lives of the participants, is exaggerated to more clearly understand and appreciate the positive or sacred as being differentiated from the profane and everyday. Although all five Aristotelian senses are exaggerated in an Indian wedding this movie only focuses on the exaggerated contrast of audial and visual cues.

The methodology employed in the research was that of a videoethnographic study. The chosen context was a typical North Indian Hindu wedding held in December 2006. The research followed the marriage participants throughout the many different Hindu wedding rituals as well as interviewing family members to understand the cultural meanings associated with the various aspects of the wedding. In total, 14 hours of video tape was recorded focusing on the wedding itself. However, to understand the everyday lives of the participants the researcher continued to follow the couple before and after the wedding as they lived their lives away from the sacredness of the ceremonies. A further 11 hours of video was taken of non-wedding context. The final dataset comprised primarily of observational data and interviews with various people living in Delhi.

From the research it was seen that colour was the most prominently exaggerated visual cue used to differentiate the wedding from the negative space of the participants’ everyday lives. Gold, red, orange and silver all play a prominent role in the observed ceremonies, but are rarely seen in such brilliance and concentration in everyday Delhi life. Clothing is also used as a means of contrast with turbans and finest saris worn especially for the ceremonies, but are rarely worn at other times. The central focus of the main wedding ceremony is the Havan or holy fire that grows in intensity as the ceremony progresses. The combination of rhythmic chanting and growing flames offer an almost hypnotic audial and visual contrast from the often mundane nature of city life.

Audial cues are clearly contrasted in a number of ways. For example, when the groom approaches the bride on the wedding day he is led by a large band playing traditional and auspicious instruments such as the Shehnai. The sounds experienced by participants are in stark contrast to the soundscape of traffic and white noise that typify modern Delhi life.

Based on the research it is possible to see a number of areas where audial and visual cues are overly exaggerated to promote the importance of the sacred and positive and differentiate it from the negative space that the profane offers. This effect is also seen in many other contexts beyond the Hindu wedding ceremony, such as the prominence of Washington monument over the relatively flat landscape of Washington D.C.; the use of stained glass in Christian architecture and even the importance of a singular finger set aside for wedding rings in western culture. When mixed with the profane the sacred loses its efficaciousness (Durkheim 1915 [1928]); however, by exaggerating the difference between the sacred and profane the sacredness of the Hindu wedding is more easily recognised as such.

REFERENCES


This Day is to be Special:
The Role of Exaggerated Contrast in an Indian Wedding

Ekant Veer

CRiAC
Centre for Research in Advertising & Consumption

UNIVERSITY OF BATH
SCHOOL OF MANAGEMENT
EXTENDED ABSTRACT

Despite considerable research in other theoretical domains (e.g., Jenkins 1992), celebrity worship attracts limited attention in the marketing literature (for exceptions see Kozinets 2001; O’Guinn 2000; Pimentel and Reynolds 2004). The neglect is surprising. First, celebrity worship pervades contemporary society (Hills 2002; O’Guinn 2000). Recent research suggests that at least one in three people engage in celebrity worship (Maltby, Houran and McCutcheon 2003). Second, celebrity worship is arguably a distinctive type of consumer-brand relationship (Fournier 1998). Marketing academicians and practitioners acknowledge that knowledge of consumer-brand relationships is critical to understanding marketing exchange (Christopher 2002).

In this study, we examine the specific case of sustained celebrity worship within an affinity group (Macchiette and Roy 1991) by focusing on the Cliff Richard Fan Club in Sydney, Australia. Members of this group (numbering approximately fifteen, characteristically aged fifty years plus) typically developed an obsession with Cliff Richard (an English pop star, popular since the late 1950’s) during their teenage years. The obsession continues today. Most informants are fan club members of fifteen years or more. This research aims to assess the capacity of the extant literature to explain this behavior and offer additional insights for theory extension. Key findings are summarized below.

Celebrity worship in adulthood associates with abnormality. Celebrity worship is regarded as integral to identity formation during adolescence (McCutcheon, Ashe, Houran and Maltby 2003); however continuance into adulthood is frequently viewed as aberrant (Hills 2002). Obviously, informants in our study do not follow the typical pattern; maintaining their celebrity worship into middle-age. In another instance, adult music fans are characterized as “typically dumb, unsophisticated, or poorly educated” (Grossberg 1991). Our informants appear articulate, socially aware and capable of self irony. Most have diverse life interests spanning work, leisure, community and family. Significantly, Duffett (2003) indicates that negative portrayals of fans are likely to be the product of the middle class taste biases of academic researchers.

Celebrity worship is associated with religiosity. Our findings are mixed in this respect:

- Fans tend to be religious (Kozinets 2001; Maltby, Houran, Lange, Ashe and McCutcheon 2002). All informants identify as devout Christians. Cliff Richard is openly Christian, hence informants’ self reports suggest a consumer-brand relationship based on shared values (Pimentel and Reynolds 2004)
- Fans imbue celebrities with God-like powers (O’Guinn 2002). Few informants report this behavior. Most view Cliff as human. One informant reports meeting him: “He came down off the pedestal; he was just like the man next door.” Yet one informant reports Cliff’s music as helping her overcome a serious illness and another states: “It’s something about his music; it just lifts you up.”
- Fans regard the celebrity as “everything” (O’Guinn 2002). Some informants indicate Cliff is critical to their well being, while simultaneously stressing the importance of the fan club: “I’d be devastated if he wasn’t in my life ... and I’d never have met all these friends” Others see Cliff as a pleasant addition to their lives: “He isn’t everything. If he wasn’t there, I’d do something else.”
- Fans seek to serve and/or suffer for their celebrity. Our informants do not report this behavior. For example, they see Cliff as a self-sufficient person: “He actually loves himself.”
- Fans treat celebrity-related objects as sacred (Kozinets 2001; O’Guinn 2002; Pimentel and Reynolds 2004). Informants’ self-reports frequently suggest this behavior. For example an informant explains that when faced by the prospect of bush-fire, she chose to protect a photo of her son and Cliff rather than other possessions.

Celebrity worship in fan clubs associates with social networks that provide considerable benefits beyond those directly linked to celebrity worship (Jenkins 1992; Kozinets 2001). Informants routinely describe the fan club as an extended family that offers fun, friendship and emotional support through life’s trials and tribulations. They enjoy regular contact with other Cliff fans world-wide.

Contrary to the literature (McCutcheon and De Vry 2002), celebrity worship does not always involve strongly parasocial relationships i.e., one person knows a lot about person B, but person B knows nothing about person A (Horton and Wohl 1956). Informants typically state: “We feel as if we know Cliff,” and describe feverishly swapping Cliff news at fan club meetings. Yet comments by Cliff: “My fans are everything to me,” his on-going success (outselling The Beatles and Elvis in Britain) and close association between his record company and many fan clubs dilute the parasocial label. Cliff appears to forge his career based on a keen understanding of his loyal fan base; the embodiment of the marketing concept.

Additional findings emerged from our research. Celebrity worship sustained within an affinity group is a consumer-brand relationship yet to be comprehensively described. Informants’ descriptions of their Cliff Richard attachments resemble Fournier’s (1998) dependencies i.e., obsessive, highly emotional, selfish attractions cemented by the feeling that the other is irreplaceable with high tolerance of the other’s transgressions. Within the fan club, selfishness is tempered by group acquiescence to a social norm; i.e., respecting the celebrity’s privacy: “We try to stay in the same hotel as Cliff, but we’d never follow him for an autograph. Others might, but fan club members know not to cross the line.” Informants forgive Cliff many of his faults including his widely acknowledged questionable dress-sense: “Over the years, he’s worn some dreadful outfits. Maybe he has no say in what wears? Somebody said he’s color blind.”

Adult celebrity worship within an affinity group is healthy. Informants’ self-reports suggest high emotional intelligence and capacity for mature, honest and respectful relationships across many social spheres, including the fan club and Cliff Richard.
They understand that Cliff enacts dramatistic (rather than naturalistic) performance i.e., an enactment calculated to create a particular effect (Deighton 1992). Explaining their attraction to Cliff, they typically state: “Fantasy is better than reality. Our husbands leave their dirty socks around; thank heavens we never see that side of Cliff.” Hence compared to lone fans, people successfully participating in fan clubs unlikely have personal characteristics associating with significant pathology e.g., stalking.

**REFERENCE LIST**


Information Sharing in Asymmetric Buyer-Seller Negotiations: An Experimental Study
Abhik Roy, Quinnipiac University
Michael Menasco, California State University San Bernardino
Anthony Myers, Bechtel Jacobs Company

EXTENDED ABSTRACT
Experiments are conducted simulating two-stage, buyer-seller negotiations over the issue of a contract price. Two factors introduce asymmetries to the bargaining situation - an alternative offer from a rival supplier representing a threat price held by the buyer, and private information, held by either the buyer or seller, on the value of potential outcomes to each party. Hypotheses are developed, which reflect the possible effects of sharing of private information and of a threat price, on negotiated price outcomes. There should be a main effect of threat leading to lower negotiated prices - a credible alternative offer from another supplier skews the bargaining scenario in favor of the buyer. There should also be a main effect of information sharing. A number of explanations are offered for this effect. For example, the sharing of information by a seller might be seen as a giving up of power or a concession, which merits a reciprocal concession on the part of the buyer. A seller providing credible information about itself might reduce the problem of adverse selection faced by the buyer by helping answer questions such as "is a low-price offer from a supplier because of its inferior quality?" Sharing of information might also cause the buyer to feel that it is being treated fairly. The direction of any information sharing effect should depend on whether the buyer shares information (lower prices) or the seller controls the information exchange (higher prices). Specific interactions are hypothesized. Our major interaction hypothesis is that the magnitude of any information sharing effect should depend on whether a threat price exists; the impact of information exchange should be greater under conditions of threat than when there is no credible alternative for the buyer. Another hypothesized interaction is that the influence of sharing information should depend on which party, buyer or seller, is in control of the information exchange; the seller, especially when faced with a threat, should be able to benefit more from this negotiating strategy.

In each experiment conducted, the bargaining frontier consists of price points corresponding to specific solution outcomes, mostly based on theoretic solutions that might intuitively be considered fair. Among these, these include a price point where both parties achieve the same utility, a point where each gains an equal amount of utility from his minimum utility point, and a price representing equal loss to each from his maximum utility in the game. Subjects are not told about the meaning of each discrete price point and they are not restricted to settling on just these prices. Information is provided on the value (utility) of each price point on the bargaining frontier. In the 'information-sharing' condition the party in control of information exchange, knows about the value of each potential outcome, not only to itself but also to its opponent, and has to divulge this knowledge during the negotiation. Experiment 1 is designed so that either buyers or sellers can initiate the information exchange in the 'sharing' condition. In experiment 2, in order to focus on selling strategies we allow only sellers to share information. The party initiating the information exchange must share the knowledge that it has - it must reveal details of its own utility function and whatever it knows of its opponent's utility function - as part of its bargaining strategy. The design of experiment 2, with the factor 'knows buyer's utility function/does not know', allows us to distinguish between the effect of knowing about an opponent's utility function (and letting the opponent know this fact), and the effect of divulging details of one's own value for outcomes. Only the latter effect, of private information sharing, is found to be significant in influencing outcomes. In the second study, in addition to observations of the negotiated price (if there is a settlement) measures are taken of the manifest influence exerted by the seller in the opinion of the buyer, and of the buyer's perception of the fairness of the final settlement. Each of these perceptual outcomes is measured using established scales. Since there are multiple dependent variables in experiment 2 MANOVA is used to analyze this data. Protocols are collected in real time with participants typing their arguments in support of a price offer on an online discussion board before entering into verbal negotiations.

Results show that, as in previous studies there is a main effect of threat in lowering negotiated prices. Unique to this study, there is also evidence of a main effect of information sharing, and that the impact of sharing differs significantly, depending on whether there is a threat price or not. The information sharing effect also depends on whether the seller or the buyer initiates the exchange process. Interestingly, in the absence of a threat sellers are found to do worse through exchanging private information than when there is a threat. When a threat price exists, sellers can partially mitigate some of the effects of the threat through information sharing. We find that under the conditions imposed, the best a seller can achieve is a settlement a little above the minimum price point in the bargaining set, corresponding to an equal gain of utility from their respective minimum utility points, for each party. The protocols support the idea that the process of arriving at this price solution corresponds to finding a price that provides equal earning from a minimum utility point.

Buyers perceive the outcomes to be fair when sellers share information; this despite feeling that sellers have significantly influenced them, when they use information sharing as a selling strategy. The perceived fairness' result suggests that an information sharing strategy should not harm customer relationships in the longer term. When buyers share private information themselves, they benefit regardless of whether they possess a threat price or not. The main strategic implication for sellers in a bargaining situation is that a seller can benefit from sharing private information, but only when facing a credible threat. If there is no such threat, a seller might be better off keeping any private information to himself.

FULL PAPER REFERENCES
California Processor Board (1993), Management Update, (October).


The Role of Social Identity and Information in Expectation Formation and Bargaining Facilitation.
Ana Valenzuela, Baruch College
Joydeep Srivastava, University of Maryland

EXTENDED ABSTRACT
With the globalization of business activities as well as the increasing mobility and diversity in the general population, it is increasingly common to find business transactions in settings that involve individuals from different countries, cultures and, in general, different social backgrounds. As the social milieu in which most exchange processes are embedded become increasingly complex, academics and practitioners seek to better understand how the social context and situational constraints influence business transactions (e.g., Adair, Okumura, & Brett, 2001; Chen, Mannix, & Okumura, 2003). Arguing that one of the most salient features that individuals are confronted with in an exchange process is their counterpart’s social identity, this research investigates the role of social identity and information in influencing expectations of counterpart’s behavior as well as outcomes of buyer-seller transactions.

Previous research suggests that social identity biases judgments and decisions. For example, in the context of conflict management, perceptions of common group identity have been shown to enhance the concern for the needs of the other party (Rubin, Pruitt, & Kim, 1994). In contrast, perception of a separate group identity seems to lead to inter-group bias and enhance perception of the zero-sum nature of conflicts (Sidansus, Van Laar, Levin, & Sinclair, 2004). In sum, individuals interpret and react differently to transactions based on whether the counterpart is perceived to be a member of their own social group or from another group (e.g., Brewer & Kramer, 1986; Kramer, Pommerenke, & Newton, 1993).

Several aspects distinguish this research from the existing literature. First, while much of the previous research on social identity focuses on the salience and strength of an individual’s self identity and how it leads to differences in expectation formation and decision making (e.g., Sidanius et al., 2004), this research examines the influence of the transacting counterpart’s social identity. The distinction is important because although self-interest and own-payoff maximization is inherent in most exchange processes, recent research shows that individuals are also concerned with notions of distributive justice or fairness (e.g., Kahneman, Knechts, & Thaler, 1986). In other words, individuals demonstrate “other-regarding” preferences such that they not only worry about their own expected payoff, but also about that of their counterpart (e.g., Loewenstein, Thompson, & Bazerman, 1989). The extent to which individuals exhibit these “other-regarding” preferences may depend upon whether their counterpart is perceived to be a member of one’s own social group or from another social group (Brewer, 1979; Kramer, Pommerenke, & Newton, 1993).

Second, much of the existing research has focused on complete information situations where both parties in an exchange process have access to clear and objective referents (White & Neale, 1994). Readily available referents allow individuals to assess the fairness of potential transaction outcomes with relative ease. In contrast, many transactions are complex, characterized by uncertainty and information asymmetry (e.g., Pinkley, 1995; Srivastava, 2001). Facing uncertainty and information asymmetry, individuals may form different expectations about the mutual gains from trade as well as the attractiveness of potential outcomes (White & Neale, 1994). Since most exchange processes are characterized by information asymmetry, this paper examines the influence of information in conjunction with social identity (cf. Kramer, Shah, & Woerner, 1995). The premise is that a counterpart’s social identity may influence the outcome of buyer-seller transactions and may do so differently depending on whether there is complete or incomplete information. While the importance of social categories in the formation of norms under conditions of ambiguity is recognized (e.g., Fiske & Taylor, 1991), relatively little research examines the role of social identity in incomplete information situations. This paper thus not only adds to the few studies on the role of social identity in complete information situations but also extends the literature by examining how the counterpart’s social identity affects expectations of distributive justice and, thereby, behavioral outcomes in incomplete information situations. Examining both complete and incomplete information situations allows us to explore the boundary conditions for the unfavorable bias towards out-group members, more commonly known as out-group derogation (e.g., Kramer, Shah, & Woerner, 1995).

Three experimental studies use ultimatum bargaining as the transaction context in which to study the role of social identity. In ultimatum bargaining, one agent (proposer) makes an offer to another agent (responder) that divides a specified sum of money between the two agents (Camerer & Thaler, 1995). The responder can either accept or reject the offer. If the offer is accepted, the sum of money is divided as proposed and the game ends. If the offer is rejected, both agents receive nothing and the game ends. Ultimatum bargaining provides the appropriate context as it is not only a model for basic transactions but also represents a building block for more complex negotiated transactions (see Camerer & Thaler, 1995 for a review). Ultimatum bargaining has been extensively used in the literature to document behavioral regularities that were interpreted to imply that fairness considerations often override strategic considerations. Importantly, for the purposes of this research, ultimatum bargaining not only represents the end state of continuous bargaining but also the simplest form of a take-it-or-leave-it transaction, thereby offering a simple structure that allows isolation of the factors of interest.

Study 1 shows that, in complete information ultimatum bargaining, individuals react more strongly to unfair offers that come from out-group counterparts than in-group counterparts. In incomplete information bargaining, where there is uncertainty about the percentage of the total amount that the offer represents, out-group derogation is still prevalent when the offer is relatively high and could possibly be fair. However, study 2 finds that when the offer is relatively low, out-group derogation is reversed and individuals react more negatively to in-group counterparts who could possibly be taking undue advantage of the situation. Finally, study 3 supports that making the situational constraints salient moderates out-group derogation and eliminates differences between in-group and out-group counterparts. Together, the findings highlight the malleability of judgment and behavior to social cues that an integral part of many exchange processes.

Knowledge of such influences should facilitate better management of the trade-offs between competitive and cooperative behavior in bargaining contexts.
REFERENCES


To Bargain or Not To Bargain?
Determinants of Consumer Intention to Bargain in the Retail Market
Meng-Kuan Lai, Business Administration Department, College of Management, National Cheng Kung University, Taiwan
Bayu Aji Aritejo, Business Administration Department, College of Management, National Cheng Kung University, Taiwan

EXTENDED ABSTRACT

In many parts of the world, especially in Asian countries, bargaining is still a very common practice in the purchase of various consumer products (Lee 2000). While some consumers bargain hard during the purchase, others may prefer not to engage in bargaining. As consumer bargaining behavior is likely to affect the profit margin of the sellers, the understanding of this particular consumer behavior and its determinants will definitely improve the way marketers can make deals with consumers.

Despite the prevalence of bargaining in the marketing field, there are only limited number of studies that have been done to gain deeper insight of such behavior in the consumer market (Buchan, Croson, and Johnson 2004; Srivastava and Oza 2006). This study thus is intended to fill the gap by examining some potential determinants of consumer intention to bargain. First, based on the well-established theory of reasoned action (TRA; Ajzen and Fishbein 1980; Fishbein and Ajzen 1975), we examined the relationship between consumers’ bargaining attitude and their intention to engage in bargaining. It is not our purpose, however, to examine the full model of TRA. Next, we want to contribute to the existing literature by examining several factors that might influence consumers’ bargaining attitude and intention. Some of these factors (i.e., perceived budget and time constraints) were taken from the literature of consumer information search. We believe that bargaining behavior and information search might share some underlying factors, as both of them can be used by customers to achieve similar goal (i.e., to get a lower price or better purchase deal). Other factors (i.e., perceived overprice and perceived loss of face) were proposed based on the bargaining literature that, to the best of our knowledge, haven’t been empirically tested or well investigated in the existing studies.

According to the TRA, when consumers have a favorable attitude toward a certain behavior, they will have a higher intention to engage in it. Based on this theory, we propose that consumers’ attitude toward bargaining will positively influence their intention to bargain. In the commonly negotiated purchase situation, consumers typically make their perception of the seller’s trustworthiness and fairness (Morris, Larick, and Su 1999; Thompson 1990). We propose that when consumers perceive that sellers overprice the product offered, they will have a stronger bargaining attitude and intention to bargain. Next, it is argued that consumers who feel the purchase price is very significant to their budget will have greater incentives to search for a lower price, as the potential saving is more valuable to them (Stigler 1961; Zimmermann and Geistfeld 1984). Based on this argument, we propose that perceived budget constraint will be positively related to bargaining attitude and intention. Getting embarrassed or losing face is likely to happen when someone engages in bargaining (Lee 2000). To avoid such psychological cost, consumers might prefer not bargain during a purchase, and thus we propose that perceived loss of face is negatively related to bargaining attitude and intention. Finally, since the bargaining process typically involves a considerable amount of time (Bruck and Schurr 1990) and may become costly for some consumers (Zwick and Weg 2000), we propose that a perceived time constraint will reduce consumers’ attitude toward bargaining and intention to bargain.

New cellular telephone (cellphone) purchases in the Indonesian retail market were chosen to test the hypotheses as this product category is commonly traded for a negotiated price in most stores, and the market is growing rapidly in Indonesia. Due to the popularity of cellphones among young people and their potential as the main market for such products, students from a large state university in Indonesia were chosen as the participants in this study. A questionnaire was given to participants with the scenario that they are going to purchase a new cellphone in the coming week. The survey resulted in a total of 226 usable responses, consisting of 95 males (42%) and 131 females (58%). All of the participants were required to have the experience of buying a cellphone to ensure that they understood the typical purchase situation.

When available, the measurement items were adopted from previous studies (e.g., Srinivasan and Ratchford 1991; Urban, Dickson, and Kalapurakal 1996), while other items were constructed based on in-depth interviews with cellphone consumers and a relevant literature review. Back-translation procedure was performed to ensure that the items were consistent between the original English and Indonesian versions. Before being used to test the hypotheses, the measures underwent preliminary screening, such as exploratory factor analysis, reliability analysis, and confirmatory factor analysis. The final measures show acceptable goodness-of-fit indicators. The hypotheses were tested simultaneously by using structural equation modeling (SEM).

The results show that consumers’ attitude toward bargaining has a strong positive influence on intention to bargain, providing further support to the applicability of TRA in a bargaining context. Next, this study found that perceived overprice and perceived budget constraint have significant positive effects on both bargaining attitude and intention. A high level of perceived overprice was found in this study, which indicates that consumers believe that sellers generally inflate the initial price. Thus, when consumers perceive that sellers offer the price more than it should be, they have a higher tendency to bargain. Perceived loss of face was found to directly influence bargaining attitude, but not bargaining intention. This may suggest that perceived loss of face would influence consumers’ intention to bargain indirectly by affecting their attitude toward bargaining. Finally, the results show that perceived time constraint significantly reduces bargaining intention but only weakly affects bargaining attitude. The last finding may indicate that bargaining is considered as a time consuming activity, and is quite costly for consumers with a limited amount of time.

REFERENCES

Recommended Two-Step Approach,” *Psychological Bulletin*, 103 (May), 411-23.


Effects of Customer Trust on Word of Mouth Communication: Examining Customer-brand Relationship

JOFFI THOMAS, Indian Institute of Management (IIM) Kozhikode.
ASHOK PRATAP ARORA, Management Development Institute (MDI), Gurgaon.
GSHAINESSH, Indian Institute of Management (IIM) Bangalore.

ABSTRACT

Measuring and modeling customer trust can enhance the understanding of customer-brand relationship. The research examined the effects of customer trust and perceived value on word-of-mouth communication (WOM) using path analysis technique among existing customers of four competing brands, in a high involvement consumer goods context (passenger cars). The findings reveal the nature and magnitude of the differential effects of corporate brand trust, product brand trust and customer interface trust on WOM. It has implications for allocating resources for brand building across the three trust facets, designing programs to develop trust in a facet and monitoring the effectiveness of marketing efforts.

EXTENDED ABSTRACT

Trust is a key feature of any relationship and it indicates the strength of a relationship. The objective of the research was to model customer trust and its effects to better understand consumer-brand relationships. The research model examined the effects of customer trust and perceived value on word of mouth communications of existing customers.

The research contributes to theory by developing and testing a research model, which addressed mainly the following five gaps in research on trust in customer relationships.

(i) There are only a few empirical studies employing trust to understand customer relationships in the consumer goods context (Chaudhuri and Holbrook 2001; Delgado-Ballester and Munuera-Aleman 2001, 2003). As brands are relationship partners in the consumer goods context (Aggarwal 2004; Fournier 1998), we developed a model to examine customer - brand relationships in consumer goods context.

(ii) There are three entities in a customer relationship: (i) the firm which provides the products and services (corporate brand) (ii) the product or service the firm offers (product brand), and (iii) the sales and service personnel from the firm or its intermediaries which directly interacts with the customer in delivering the product or service (customer interface) (Crossby 1987; Hennig-Thurau and Hansen 2000). Customer evaluates the trustworthiness of these three entities resulting in the development of trust in the three facets; corporate brand trust, product brand trust and customer interface trust. As the three facets have not so far been considered in modeling customer relationships their differential effects on relationship outcomes have not been examined so far in literature. We examined the differential effects of three trust facets on value and relationship outcomes for existing customers.

(iii) Integrative interdisciplinary review of trust research (Mayer et al. 1995 and McKnight et al. 2002) has identified the three generic dimensions of trustworthiness evaluations as ability, benevolence and integrity. These three dimensions have so far not been explicitly considered in marketing. The study modeled the effects of trustworthiness evaluation on the three trust facets in the relationship.

(iv) The relationship among trust facets was examined in the proposed research model. This is expected to reveal the multiple routes through which trust affects value and relationship outcomes both for existing as well as potential customers. As the three trust facets has so far not been modeled in customer relationship models, the relationships among trust facets have also not been examined.

(v) We re-examined the partially mediating role of perceived value in customer relationships, which was first examined by Sirdeshmukh, Singh and Sabol 2002. The partially mediating role of value on the effects of three trust facets on word of mouth communication for existing customers was tested in the proposed model.

As the three generic trustworthiness dimensions and the three trust facets were not so far examined in literature the measurement scales for the three dimensions for each of the three trust facets had to be developed afresh. The scales for trust in three facets, value and word of mouth were adapted from existing scales. The procedure for scale development was based upon accepted methods in consumer research (Churchill 1979; DeVelis 1991). The reliability and validity of the scales were ensured through qualitative (literature review, in-depth interviews, content analysis, pre-test with experts) and quantitative methods (exploratory factor analysis, reliability analysis).

Data was collected from the existing customers of four selected closely competing passenger car brands in the same customer segment. The population was divided into five geographical clusters based on the sales data of the four brands and in consultation with marketing and brand managers in the industry. Sample was selected across five clusters; four in Delhi city and one in Gurgaon city in India. A quota of forty existing customers was fixed for each of the four brands in the study for testing the research model. The unit of analysis was an evaluation of a brand by an existing customer. The three trust facets of corporate brand, product brand and customer interface (dealer) were evaluated separately by a respondent for each of the four brands in the study.

The proposed model was tested using two data sets; one dataset of 461 brand evaluations of all the four competing brands (ALLBRANDS) and another dataset, which included only the 126 evaluations of the brands owned by 126 existing customers (OWNEDBRAND). The model was examined using path analysis technique. The research was successful in measuring the constructs and validating the proposed model. The findings of the research, organized around the three sets of relationships examined in the research model, are given below.

(i) Differential effects of the three trust facets on word of mouth communications: Customer perceived value fully mediated the effect of corporate brand trust on word of mouth communications and purchase intentions. Customer perceived value partially mediated the effect of product brand trust on word of mouth and purchase intentions. The magnitude of the direct and indirect effect of product brand trust was higher than the other effects. Thus, product brand...
trust is established as the primary trust facet for both existing and potential customers. Customer interface trust positively influenced word of mouth communications but had no significant influence on customer perceived value. The finding has implication to resource allocation among the three trust facets.

(ii) Relationship among trust facets: Corporate brand trust was found to have a positive influence on product brand trust and customer interface trust. No other hypothesized effects were significant. The findings revealed the multiple routes through which corporate brand trust influenced relationship outcomes.

(iii) Effects of trustworthiness evaluations on the three trust facets: The differential effect of trustworthiness dimensions was found to be sensitive for both models to different brand evaluations. This understanding may help in profiling brands and designing programs to develop trust in a facet.

The adoption of relationship marketing paradigm in marketing discipline and its application in practice calls for development of tools to monitor and manage customer relationship. The research contributes to the advancement in trust research and provides a tool for practitioners to monitor and manage customer relationships.

REFERENCES


Consumers’ Initial e-Trust Building Process: Development of An Integrative Model and Research Propositions
Kyösti Pennanen, University of Vaasa, Department of Marketing, Finland

ABSTRACT

Trust is a widely studied phenomenon across numerous disciplines. Researchers of e-commerce have conducted several studies on consumer trust in e-commerce. Despite the extensive interest in consumer e-trust, there are only few, if any, studies that concentrate on how consumers build trust in e-commerce. The present article seeks to amend this situation by conceptualizing consumers’ initial e-trust building process. Different affective and cognitive mechanisms that consumers may use to build e-trust are introduced. As a consequence, five propositions for further research are developed.

INTRODUCTION

Trust plays an important role in human relationships, allowing individuals to engage in a relationship with each other. In the Internet context, trust is particularly emphasized. The lack of trust is seen to be one of the main reasons inhibiting consumers’ e-commerce adoption (e.g. McKnight, Choudhury, and Kacmar 2002). Thus trust could be understood as a basis and necessity for consumers’ decision to make online purchases.

The phenomenon of consumer e-trust (consumer trust in e-commerce) is widely discussed, and many conceptualizations of e-trust have been given (e.g. Gfen, Karahanna, and Straub 2003; Tan and Sutherland 2004). The problem with the current research is that it concentrates almost exclusively on trustees’ (trustee is the target of trust, such as an e-vendor) e-trust increasing attributes and their influence on consumer e-trust development. For example, dynamic pricing (Garbarino and Lee 2003) and perceived legal and technical environment (Tan and Sutherland 2004) have been found to influence consumer e-trust. In contrast, the understanding of the processes on the consumers’ side that contribute to consumer e-trust is limited (e.g. Pennanen, Tiainen, and Luomala, 2007).

The aim of this article is to contribute to e-trust literature by developing an integrative model for consumers’ initial e-trust building process, culminating in five research propositions to stimulate further studies. The aim will be pursued through four goals. The first goal is to discuss the concepts of consumer e-trust and closely related concepts of e-trust. The second goal is to describe consumers’ affective and cognitive e-trust building behavior. The third goal is to discuss the role of different consumer characteristics and the effect of the context in which the e-commerce occurs on consumers’ e-trust building process. The fourth goal is to assess the novelty value of the developed model and research propositions in relation to what is already known about consumers’ e-trust building.

CONSUMER E-TRUST, E-TRUSTWORTHINESS, AND PERCEIVED RISKS

Before introducing the model for consumers’ initial e-trust building process, a discussion of the concept of e-trust will be made in detail. In addition, the concepts of trustworthiness of e-commerce and the perceived risks will be addressed, because they are considered to be closely related concepts to consumer e-trust (Serva, Benamati, and Fuller 2005). Due to the broad field of trust-research, the concept of trust has attained many-faceted meanings (Corritore, Kracher, and Wiedenbeck 2003). However, what is common in many definitions of trust is that they see trust as a trustee’s psychological state, such as expectation (Mayer, Davis, and Schoorman 1995) or confidence (Morgan and Hunt 1994). Definitions usually contain two parties (trustor and trustee) and emphasize that trust is only necessary in a situation containing risk (Mayer et al. 1995). Recently, the definition of trust provided by Mayer et al. (1995) has been widely accepted among the e-trust researchers (e.g. Garbarino and Lee 2003). Mayer et al. (1995, 712) define trust as: “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.”

The rapid development of e-commerce in the late 1990s expanded trust research also in the context of e-commerce. Combining social psychologists’ (e.g. Cook and Wall, 1980), sociologists’ (e.g. Lewis and Weigert 1985), and psychologists’ (e.g. Rotter 1971) views on trust, consumer e-trust is treated as a three-dimensional construct, including interpersonal (trust in e-vendor), institutional (trust in technology or surrounding environment such as society), and dispositional (individuals propensity to trust) elements (McKnight et al. 2002).

Many researchers have confused the concepts of e-trust and e-trustworthiness and handled them as synonyms for each other (Serva et al. 2005). The distinction between the concepts is that trust is the trustee’s psychological state, while e-trustworthiness is a characteristic of the trustee (Corritore et al. 2003). The traditional trust literature treats trustworthiness as a multidimensional construct including, for example, dimensions of ability (Mayer et al. 1995), consistency, and openness (Hosmer 1995). However, the e-trust literature emphasizes the importance of three dimensions: namely competence (trustor’s belief in trustee’s abilities, skills and expertise), benevolence (belief that trustee acts in trustor’s interests), and integrity (trustor’s belief that trustee acts in an honest way) (e.g. Tan and Sutherland 2004).

Mayer et al. (1995, 712) argue that trust is “…the willingness of a party to be vulnerable to the actions of another party…” This willingness to be vulnerable means willingness to engage in a relationship including an element of uncertainty. Thus, perceived risks could be seen as the antecedents to e-trust, because the need for trust arises only in a risky situation. This view of the relationship between trust and risk is prevalent in the majority of traditional trust literature (Doney and Cannon 1997; Morgan and Hunt 1994).

AN INTEGRATIVE MODEL FOR CONSUMERS’ INITIAL E-TRUST BUILDING PROCESS

The definition of trust by Mayer et al. (1995, 712) stresses that someone is willing to be vulnerable to the actions of another party “…based on the expectation that the other will perform a particular action important to the trustor…” From the viewpoint of consumers’ initial e-trust building, that expectation is in a key position, because it raises the question how it is developed.

Figure 1. presents an integrative model for consumers’ initial e-trust building. As seen in the model, consumers can evaluate the trustworthiness of an e-vendor (interpersonal aspect) and technology (institutional aspect) by affective and cognitive e-trust building (building the expectation). Based on the expectation, the threshold of perceived risk is either exceeded or not leading to trust or distrust.
In addition, our model attempts to explain the role of consumer characteristics, context and trustees’ behavior in the consumer initial e-trust building. In the next chapters, we will discuss more thoroughly the content of affective and cognitive e-trust building and the role of the consumer characteristics and the context in consumers’ initial e-trust building. In addition, five propositions to stimulate further research will be presented.

CONSUMER E-TRUST BUILDING
Our model includes a presumption that the desired goal of consumers’ e-trust building behavior is trust. In order to reach the goal, we argue that the consumers use different mechanisms to build e-trust. However, the word ‘use’ is somewhat problematic, because it refers to some conscious act made by the consumer. For example, Bargh (2002, 280) asks: “To what extent are people aware of and in control of the influences and their reasons for purchasing and consumption behavior?” Although Bargh was not interested in consumer e-trust, his question is quite interesting in that context too, because it raises another question: to what extent consumers’ e-trust building process is conscious in nature?

Consumer decision making literature offer some answers to the previous question. The literature in question has traditionally emphasized rational decisionmaking (Hoch and Loewenstein 1991). However, numerous studies suggest that also affective processes have influence on consumer decisionmaking (Luce 1998; Shiv and Fedorikhin 1999), which serves as ground to treat consumers’ e-trust building as a two-fold phenomenon, including affective and cognitive aspects, too.
Affective e-Trust Building

Consumers in an initial e-trust building stage do not have the previous knowledge of the specific trustee at their disposal (McKnight, Cummings, and Chervany 1998). Thus, in this article, consumers’ affective e-trust building is understood in terms of Berkowitz’s (1993) first order, relative automatic and associative, process. In contrast, affective decision making based on the previous experiences or cognitions is ruled out.

Yeung and Wey (2004) found that when a consumer sees some product before receiving additional information about it, they use the initial affective impression as a basis for judgments. Following that, we argue that in e-commerce settings, the first impressions regarding the e-vendor or some institutional aspects of e-commerce serve as ground for consumers’ affective decisions related to the interpersonal or institutional trustworthiness.

Website design research literature offers several examples of first impressions that might trigger affective e-trust building. For example, Egger’s (2001) findings offer evidence that the first impression related to a website’s attributes, such as graphic design and usability, will lead to assessment of e-trust. Wang and Emurian (2005) found that the visual design affected consumer e-trust; and Kim, Xu, and Koh (2004) found that the information quality in a website affected significantly potential customers e-trust. Furthermore, Santos (2003) found that the appearance and the different colors in a website were either perceived as positive or negative among web users.

Previous examples are related to the evaluations of the interpersonal e-trustworthiness. In terms of affective institutional e-trust building, Etzioni (1988) argues that the choice to work in the U.S.A., Mexico or Canada is not a question of wages or taxes for Americans but more likely their national identity. Thus the affective reactions have a stronger effect on the decision where to work than the rational decisionmaking. In a context of e-commerce, Pennanen (2006) found that consumers perceived domestic e-vendors as trustworthy than the foreign ones. Following this, we argue that the society in which the e-vendor operates or the language used in a website may have influence on consumers’ perceptions of institutional e-trustworthiness. Moreover, the frustration regarding the Internet infrastructure, such as instability of the Internet or slow connections, may cause affective evaluation of institutional e-trustworthiness.

Cognitive e-Trust Building

In this chapter, the cognitive side of consumer initial e-trust building is discussed. Basically, cognitive e-trust building means some conscious act made by the consumer to evaluate the e-trustworthiness. In order to illustrate the consumer cognitive e-trust building, we adopt the model of consumers’ trust formation process by Pennanen (2006). Pennanen’s (2006) model presents four trust formation strategies, which are based on Mick and Fournier’s (1998) study concerning consumer coping with technology. More specifically, Pennanen (2006) found that the consumers evaluate the e-trustworthiness (interpersonal and institutional) by pretesting e-commerce, using different buying heuristics, extending decision making and exploring warranties the trustee offers to consumers.

Pretest refers to a situation in which a consumer is using someone else’s product temporarily or purchases some product but is not sure if s/he is going to own the product after the return policy or warranty expires (Mick and Fournier 1998). According to Pennanen (2006), consumers may use pretesting in evaluation of the trustworthiness of e-commerce. For example, a consumer may test an e-vendor’s service before any purchasing or transactions occur in order to assure him/herself about the competence or the integrity of the e-vendor.

Buying heuristics refer to a situation in which consumers use different buying rules in order to solve problems or make decisions (Mick and Fournier 1998). Regarding buying heuristics as e-trust building mechanism, Pennanen (2006) found that the consumers are convinced about the trustworthiness of e-vendors with a widely known brand or a reliable brand. More specifically, consumers evaluated the trustworthiness of different e-vendors, and the well-known brand of the e-vendor convinced the consumers about the trustworthiness of both the e-vendor (interpersonal e-trustworthiness) and the Internet as a trustworthy channel (institutional e-trustworthiness).

The third cognitive strategy that consumers may use to build e-trust is extended decision making (Pennanen 2006). Mick and Fournier (1998) define extended decision making as searching diligently for detailed product or brand information and then purchasing the most appropriate alternative in a careful, calculating manner. In terms of e-trust building, Pennanen (2006) found that consumers asked their friends’ help when they perceived risks related to some products. Moreover, other methods for consumers to extend their knowledge could be identified in the literature. For example, consumers may ask advice from certain professionals concerning some product or service (Cho and Lee 2006) or use different discussion boards in order to obtain information about the products they are interested in purchasing (Grönroos et al. 2000).

The last cognitive e-trust building mechanism is exploration of warranties. Pennanen’s (2006) findings indicate that especially the exploration of money-back guarantee was important for consumers. That is, a consumer may evaluate the trustworthiness of an e-vendor by ascertaining if the e-vendor offers a money-back guarantee for consumer. Two other categories of warranties can be identified in the literature, too. These are extended warranty and extended maintenance contract (Mick and Fournier 1988). According to Mick and Fournier (1998), extended warranty and maintenance contract seem to reduce the risk perceived by their informants. Also various trusted third parties’ recommendations might have an effect on consumers’ evaluations about the e-trustworthiness of an e-vendor or technology (Srinivasan 2004).

At the beginning of the article, we argued that the majority of current e-trust literature suggests that trustee’s behavior is in a key position in convincing the consumer to trust. However, in the previous chapters we introduced consumer affective and cognitive e-trust building. Thus, we argue that the unilateral view on consumer e-trust development should be re-considered. Based on that, we propose,

P1: Consumer overall initial e-trust is a function of affective e-trust building, cognitive e-trust building, and a trustee’s e-trustworthiness increasing behavior.

Relationship between Affective and Cognitive e-Trust Building

The relationship between the affective and cognitive decision making has confused researchers (e.g. Anand, Holbrook, and Stephens 1988). Some studies imply that the cognitive processing precedes the affective processing (Anand et al., 1988), while some others imply that the affective processing precedes the cognitive processing (e.g. Shiv and Fedorikhin 1999). In terms of consumer initial e-trust building, we argue that the affective e-trust building precedes the cognitive e-trust building, because of the stage of the relationship. If the relationship between the two parties is mature, then the previous experiences or memories, based on
cognitive processing, could be the sources for affective reactions. In contrast, if the relationship is in an initial stage (as in our model), then the first impressions might cause primary affective reactions that precede the cognitive processing (cf. Berkowitz 1993). Thus, we propose,

**P2:** Affective e-trust building predominates over and precedes cognitive e-trust building in conditions of consumers’ initial e-trust development.

The Role of Consumer Characteristics in Consumers’ Initial e-Trust Building Process

The existing literature stresses that consumer characteristics, such as demographics, have an effect on consumers’ risk perception. For example, Garbarino and Strahilevitz (2004) found that women perceive more risks than men in an online environment. Furthermore, experience with using e-commerce (Miyazaki and Fernandez 2001) and personal values (Pennanen et al. 2007) have been shown to affect the amount of risk that a consumer perceives.

Since we consider perceived risks as the antecedents to e-trust, then the e-trust building process of consumers with different characteristics may vary. For example, women who perceive more risks (Garbarino and Strahilevitz 2004) may favor both affective and cognitive e-trust building. Contrarywise, men might favor more affective e-trust building and avoid cognitive e-trust building due to their lower level of perceived risk. The idea is in line with the findings that women are found to be more comprehensive in information processing than men (e.g. Hess, Fuller, and Mathew 2006), which means that they may use both affective and cognitive e-trust building while men favor affective e-trust building. Thus we propose,

**P3:** Consumers’ characteristics, such as personal values, personality, demographics, socio-economics, dispositional trust, and experience in using e-commerce, affect how consumers utilise affective, cognitive or hybrid processes in e-trust building.

Consumers’ Initial e-Trust Building Process as a Context-Dependent Phenomenon

Consumer decision making literature emphasizes that consumers’ decision making is different under high or low-involvement conditions (Bienstock and Stafford 2006). Decisions made under the low-involvement context could be routines for consumers, while the decisions made under the conditions of high involvement require more extensive decision making.

As e-commerce is a relatively wide concept including several contexts (e.g. electronic newspapers, electronic banking systems, and electronic health care), the previous discussion implies that consumers’ decision making could vary in different e-commerce contexts. This means, the importance of cognitive e-trust building could be higher, for example, in the context of electronic health care than in a context of electronic newspapers due to consumers’ perception of involvement. Some empirical evidence supports the idea. Yang et al. (2006) applied the elaboration likelihood model in their study regarding consumer initial e-trust and found that highly involved consumers used a central route, which emphasizes cognitions as the basis for the decisions, to build initial e-trust. In contrast, less involved consumers preferred a peripheral route, which means that affections were the basis for decisions. Although Yang et al. (2006) did not study consumer e-trust building between different contexts but products, their results also serve as evidence that consumer e-trust building could vary based on the context as well. Following the previous discussion we propose,

**P4:** Consumers favor cognitive e-trust building over affective e-trust building in high involvement context.

**P5:** Consumers favor affective e-trust building over cognitive e-trust building in low involvement context.

CONCLUSIONS

The aim of this article was to develop an integrative model for consumers’ initial e-trust building process. In this article, we described concepts which are important in terms of consumers’ initial e-trust building, namely consumer e-trust, e-trustworthiness, perceived risks, affective and cognitive e-trust building, trustee’s behavior, consumer characteristics, and context.

Compared to the majority of existing e-trust literature (e.g. Gefen et al. 2003; McKnight et al. 2002), our model brings out the versatility of consumer e-trust instead of concentrating on only e-vendors’ or technologies’ attributes and their influence on consumer perception of e-trustworthiness. This contributes to understanding how consumer overall e-trust is built and also emphasizes the need for further research in terms of the relative importance of both consumer e-trust building and trustee’s trustworthiness increasing behavior in consumer overall e-trust development.

We proposed that in conditions of initial e-trust building the affective e-trust building predominates over and precedes cognitive e-trust building. Our argument contradicts some results from the conventional shopping, which shows that the situation is the opposite (Anand et al. 1988) but is in line with some other studies (Shiv and Fedorikhin 1999). This issue deserves more research, as there exists a lack of empirical studies related to the predominance and/or precedence of affective-cognitive e-trust building.

We proposed that consumer characteristics affect the e-trust building process. We argued that, due to the level of perceived risks, for example, women favor both affective and cognitive e-trust building, while men favor affective e-trust building. When comparing this idea to the current literature, we found that the influence of consumer characteristics on consumer perceived risks in e-commerce is widely acknowledged (Garbarino and Strahilevitz 2004; Pennanen et al. 2007), but the influence of consumer characteristics on consumer e-trust building is as yet unexplored. Thus more research is needed. This kind of research would contribute to understanding how different consumer segments build e-trust and what kind of e-services should be offered for different consumers.

As discussed earlier in this article, e-commerce is a broad concept, which includes several contexts. We divided the contexts into high and low involvement contexts and proposed that consumers’ e-trust building varies as a function of the context. Although the influence of context in the consumer decision making has been recognized in offline research (Bienstock and Stafford 2006), there exists a lack of knowledge on how different contexts affect consumers’ e-trust building. Studying this issue would be beneficial. From researchers’ viewpoint, the future studies could verify or refute the earlier findings from the conventional shopping related to the context and decision making. From the viewpoint of e-trust research, future studies could open an interesting discussion on the importance of the context in consumer e-trust.

Our article has limitations. Firstly, the model lacks empirical validation and therefore it should be treated as a building block...
for further research. Secondly, the propositions developed in this article are general in nature. The reason for the latter was the need to challenge the unilateral view on consumer e-trust development and offer an extensive model as possible to explain consumers’ side of the issue. Thus, the propositions’ role is rather to draw attention to important issues (as seen by the author) than to offer ready-made hypotheses for empirical research. Thirdly, our model concentrates solely on e-commerce, and the adoption of the model in the conventional shopping context is questionable. Fourthly, in terms of affective and cognitive e-trust building, only a few individual mechanisms to build e-trust were introduced. There is no question that also other mechanisms to build e-trust would exist. Finally, our model concentrates on consumers’ initial e-trust building. Thus, the model could not be generalized to apply in mature relationships.

REFERENCES


Bargh, John A. (2002), “Losing Consciousness: Automatic in mature relationships. e-trust building. Thus, the model could not be generalized to apply in mature relationships.

REFERENCES


Bargh, John A. (2002), “Losing Consciousness: Automatic in mature relationships. e-trust building. Thus, the model could not be generalized to apply in mature relationships.

REFERENCES


Bargh, John A. (2002), “Losing Consciousness: Automatic in mature relationships. e-trust building. Thus, the model could not be generalized to apply in mature relationships.


Word-of-mouth and Consumer Choice Behavior: More on Message and Dispatcher Effects
Håvard Hansen, University of Stavanger, Norway
Sangeeta Singh, BI Norwegian School of Management, Norway

ABSTRACT
We examine how Word-of-Mouth (WOM) affects consumers’ choice between brands in a study containing two scenario experiments. WOM has a significant impact on choice outcome in a situation where consumers prefer one brand but WOM communication recommends another. We then introduce an expert/novice distinction on the WOM dispatcher along with a varying degree of diagnosticity of the WOM message. The results show that both expertise and diagnosticity influence the effect of WOM recommendations. Most interesting is that diagnostic information from a novice is more effective than non-diagnostic information from an expert, leading us to conclude that the type of information provided is more influential than who is giving it.

INTRODUCTION
When choosing between brands, consumers evaluate the alternatives by using information either from memory or from external sources (Bettman 1979). Previous research has found word-of-mouth communication (WOM) to be an important and significant external information source used by consumers and a variety of research has focused on its antecedents, thereby enabling marketers to design programs that generate positive WOM (e.g. Gremler, Gwinner and Brown 2001; Harrison-Walker 2001; Richins 1983). These strategies would naturally be of no value unless consumers actually use the information communicated through WOM and include it in their choice heuristics during the pre-purchase decision phase. This basic assumption was established in the literature as early as in the 1960’s (e.g. Arndt 1967) but the last decades have also produced important insights on how WOM affects consumer choice contingent on receiver characteristics (e.g. Arndt 1967), sender-receiver relationship characteristics (e.g. Bansal and Voyer 2000), number of WOM sources (e.g. Bone 1995), information characteristics (e.g. Herr, Kardes and Kim 1991), choice task characteristics (e.g. Duhan, Johnson, Wilcox and Harrell 1997) and sender characteristics (e.g. Gilly, Graham, Wolfinbarger and Yale 1998). However, important questions still remain unexplored empirically. This paper addresses some of these questions in two experiments which investigate how choice outcomes are influenced by WOM depending on both the expertise associated with the WOM dispatcher and the receiver’s ability to distinguish between brands based on this message.

STUDY 1
WOM effects on choice – some basic assumptions
All WOM research rests on the assumption that information received from personal sources like family, friends and colleagues is more persuasive or trustworthy than impersonal sources like advertisements and catalogues. Most impersonal sources are believed to have an interest in persuading the consumer in one direction or the other whereas it is not the goal of personal ones to promote a specific company (Derbaix and Vanhamme 2003). Basic textbook knowledge suggests that the impact of personal sources increases while that of impersonal ones decreases as the consumer reaches the final stages of the decision process because consumers trust personal sources more than they do impersonal ones (Shiffman and Kanuk 2004). This shift may be explained either by a change in the relative importance of the different attributes or by the inclusion of WOM itself as a risk-relieving attribute. We propose that if all else is equal, consumers will choose according to WOM as it not only serves as an additional attribute to base the decision on but also acts as a risk reliever (Arnould, Price and Zinkhan 2004). The effects of WOM are not constrained to situations where WOM is the only aspect distinguishing between alternatives. We argue that the effect of WOM is so strong that it can even bring about a preference change in the depicted brand’s (dis)favor. This is based on the fact that post-purchase evaluation of a brand includes activities aimed at reducing any cognitive dissonance and buying a brand recommended by a personal source enables at least two dissonance-reducing mechanisms. First, consumers can engage in selective exposure, thus seeking additional positive information about the chosen brand from a selectively chosen source – the WOM dispatcher (Shiffman and Kanuk 2004). Second, consumers can reduce their own responsibility for the decision by blaming it on the WOM dispatcher (Wade and Tavris 2003; Oliver 1997). Our first study is a pre-test designed to lay a foundation on which to base our second and more important study. Therefore, we initially test the following two fundamental hypotheses:

H1: When choosing from a set of equally preferred brands, consumers chose according to suggestions received by WOM communication.

H2: When choosing from a set of brands where one is preferred over the other, a significant amount of consumers will follow the suggestions received by WOM although it is in the opposite direction of ones own preferences.

Procedure
A four-cell scenario experiment was constructed to test hypotheses 1 and 2. The results from this first study are not theoretically novel per se but are an important assessment of the experimental procedures that provide some “money in the bank” as to the validity of our basic assumptions (Meehl 1990). The scenarios outline a situation where the subjects have for some time been in search of a DVD-player and have now reached the point of purchase. A brief story was presented related to this task and the participants then asked to choose from two alternative DVD-players (see scenario descriptions in the Appendix). The four scenarios vary on two aspects: first, whether the two brands are judged equal in quality or if one is superior to the other, and second, absence of WOM or WOM favoring the inferior brand. Hypothetical brands were used and to rule out order effects, we varied brand names, the superior or inferior brand and the order in which the brands were listed on the answer sheet for participants to check their responses. No difference in choice outcomes was found related to the order or name of the brands. One hundred and sixty two undergraduate marketing students participated in the experiment.

It was expected that subjects should be indifferent to which brand they chose when both brands A and B where judged equal and there was no WOM. Based on a rationality assumption we could thus expect the choice to be split 50/50 between the two
brands. When WOM recommendations for brand B (which is the same in quality as brand A) are introduced, the rationality assumption would suggest that all subjects should choose B. When brand A is deemed superior to brand B and there is no WOM communication, one can expect all subjects to choose the superior brand, brand A in this case. Finally, and most importantly, when brand A is the superior brand but brand B is recommended by WOM communication, brand B should be chosen by a significant number of subjects.

**Following advice**

We ran a chi-square test with the experimental condition and whether advice was followed or not as the two categories to test hypotheses 1 and 2. The analysis resulted in a chi-square value of 174.64 with a p-value of 0.00. The significant result indicates a relationship between whether WOM is going to be followed with the experimental condition. Next, we examined the cross tabulations to see what was happening under different experimental conditions. The results are presented in table 1:

<table>
<thead>
<tr>
<th>Experimental Condition</th>
<th>A&gt;B</th>
<th>A&gt;B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Followed WOM</td>
<td>100%</td>
<td>85.4%</td>
</tr>
<tr>
<td>Did not follow WOM</td>
<td>0%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

Our first hypothesized effect was that when the two brands are perceived to be equal, respondents choose the one suggested by WOM. Examining the column of the experimental condition where the two brands are perceived to be the same and WOM is present, we see that 100% of the respondents in this group select the brand recommended by WOM. These figures provide strong support for our first hypothesis.

**Changing Preferences**

Our second hypothesized effect was that although one brand is perceived to be better than the other, respondents change preferences to select the one recommended by WOM. A chi-square test was run to test this with experimental condition where one brand is perceived better than another and whether respondents changed their preferences or not. The analysis resulted in a chi-square value of 57.24 with an accompanying p-value of 0.00 which indicates a relationship between the experimental condition and whether or not preferences are changed. The cross tabulation of the percentages within each experimental condition are given in table 2:

<table>
<thead>
<tr>
<th>Experimental Condition</th>
<th>A&gt;B</th>
<th>A&gt;B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not change preferences</td>
<td>97.6%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Changed preferences</td>
<td>2.4%</td>
<td>85.4%</td>
</tr>
</tbody>
</table>

Comparing the column percentages for the experimental condition when WOM is present, we can see that 85.4 percent of the respondents change their preferences as compared with only 14.6 percent who do not. We also see that a very small percentage, 2.4, change their preferences when there is no WOM. We can therefore conclude that the presence of WOM is linked to the respondents changing their preferences when the two brands are not perceived the same.

The pre-study was initiated primarily for two reasons. First, we needed to know whether this simple scenario would prove valid in terms of portraying a choice situation where the different cells produce the results expected. The fact that cells 1, 2 and 4 gave more or less a perfect picture of a rational decision supports further use of the scenarios. Second, to endorse the main study it was essential that the results from cell 3 actually showed that WOM had a significant effect on choice outcome. That 85.4 percent of the respondents followed the WOM communication suggests that WOM has an influence in the scenario settings, which is a fundamental point of reference for study 2.

**STUDY 2**

**Dispatcher effect**

Dispatcher effects relate to varying degrees of influence of WOM on receiver choice contingent on dispatcher characteristics. As argued earlier, complying to WOM is inherently a risk reduction strategy for consumers (Wilkie 1990), and the greater the expertise of the dispatcher the less risky should relying on the advice be. Previous research (Bone 1995; Gilly, Graham, Wolfinbarger and Yale 1998; Bansal and Voyer 2000) found the impact of WOM on the receiver’s decision to be stronger when an expert serves as the source. In our third hypothesis we reproduce the findings from previous studies and suggest that:

**H3:** When choosing from a set of brands where one is preferred over the other, WOM recommendations in the opposite direction of ones own preferences have a larger effect on choice when dispatched from an expert than from a novice.

**Message effect**

Message effects denote variations in the influence of WOM that can be linked to the characteristics of the message itself and one such characteristic is the perceived diagnosticity. According to the Accessibility-Diagnosticity model, diagnosticity is the ability to discriminate between two alternatives based on a given piece of information (Feldman and Lynch 1988) and determines the likelihood the information presented will be utilized. The more diagnostic a piece of information is, the more helpful it is in distinguishing between alternatives and the higher the chances that it will thus be used. This implies that consumers who receive diagnostic information will resort to it more than if the information received were less diagnostic. Drawing on the basic premises of the Accessibility-Diagnosticity model our fourth hypothesis states that:

**H4:** When choosing from a set of brands where one is preferred over the other, WOM recommendations in the opposite direction of ones own preferences have a larger effect on choice when the message is diagnostic than when it is non-diagnostic.

**Dispatcher and Message effects compared**

The previous two paragraphs outline our suggestions about the influences of expert/novice distinctions and levels of diagnosticity but provide no insight into which of these are more influential. This is an important question in understanding the mechanisms of WOM and consumer choice. It seems intuitively logical that the largest impact on choice will come from diagnostic information communicated from an expert dispatcher and a novice supplying non-diagnostic information is least likely to affect brand choice. Now, assume that the information provided by an expert

---

**TABLE 1**

<table>
<thead>
<tr>
<th>Experimental Condition</th>
<th>A&gt;B WOM favours B</th>
<th>A&gt;B WOM favours B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Followed WOM</td>
<td>100%</td>
<td>85.4%</td>
</tr>
<tr>
<td>Did not follow WOM</td>
<td>0%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

**TABLE 2**

<table>
<thead>
<tr>
<th>Experimental Condition</th>
<th>A&gt;B No WOM</th>
<th>A&gt;B WOM present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not change preferences</td>
<td>97.6%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Changed preferences</td>
<td>2.4%</td>
<td>85.4%</td>
</tr>
</tbody>
</table>
does not enable a distinction between alternatives while information received from a novice does. According to the Accessibility-Diagnosticity model, diagnostic information will be utilized more than less diagnostic information (Feldman and Lynch 1988) and we would thus predict the novice with diagnostic information to be more influential. In other words, it does not help being an expert if your information is of no help in solving the choice task. However, a contradictory argument is that consumers also evaluate the reliability of the information and that novices naturally are viewed less reliable than experts thus it does not help supplying useful information if it cannot be trusted. Logically, this line of reasoning would suggest that WOM would be most influential when diagnostic and received from an expert. Our final hypothesis tests this assumption:

IH5: When choosing from a set of brands where one is preferred over the other, WOM recommendations in the opposite direction of ones own preferences have the largest influence on choice when diagnostic and dispatched by an expert.

Procedure
To test hypotheses 3-5 we again employed a four-cell scenario experiment where subjects were exposed to the DVD-player choice task. The story was almost identical to the one in the pre-study, but with a few exceptions. Participants in all four cells were subject to WOM communication and one of the brands was judged superior in all cells. However, WOM was varied in two ways: the first manipulation portrayed the WOM dispatcher as either an experienced DVD owner (expert) or a complete novice, the second manipulated factor was whether WOM was diagnostic or non-diagnostic related to the choice task in question. A total of 181 undergraduate marketing students participated in the study.

Influence of Dispatcher expertise
A chi-square test of independence was run with experimental condition and advice as the two variables to test hypotheses 3 and 4. The test resulted in a chi-square value of 25.574 with a p-value of less than 0.10, which leads us to infer that there is a relationship between the two variables. In other words, whether or not WOM is going to be followed is significantly related to the expertise of the speaker and if the WOM provided is diagnostic or not. This analysis resulted in the cross tabulation presented in table 3.

TABLE 3

<table>
<thead>
<tr>
<th></th>
<th>Expert Diagnostic</th>
<th>Expert Non-Diagnostic</th>
<th>Novice Diagnostic</th>
<th>Novice Non-Diagnostic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not follow WOM</td>
<td>11.2%</td>
<td>16.3%</td>
<td>15.2%</td>
<td>24.7%</td>
</tr>
<tr>
<td>Follow WOM</td>
<td>12.9%</td>
<td>6.7%</td>
<td>11.2%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

Specifically, the third hypothesis stated that WOM is followed more when provided by an expert rather than a novice. When comparing the WOM provided by an expert against that provided by a novice we received a cross tabulation as shown in table 4:

TABLE 4

<table>
<thead>
<tr>
<th></th>
<th>Expert</th>
<th>Novice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does not follow WOM</td>
<td>27.5%</td>
<td>39.9%</td>
</tr>
<tr>
<td>Follows WOM</td>
<td>19.6%</td>
<td>12.9%</td>
</tr>
</tbody>
</table>

We see from the table that the respondents are more likely to follow the WOM when given by an expert (19.6%) than when it is provided by a novice (12.9%). These results support the third hypothesis.

Influence of WOM diagnosticity
In the fourth hypothesis we proposed that WOM is followed more when it is diagnostic rather than non-diagnostic. Examining the figures in table 5 we find that 24.1 percent of the respondents choose the brand suggested by WOM when it is diagnostic in nature as compared to only 8.4 percent when it is non-diagnostic. Therefore, our fourth hypothesis is supported.

TABLE 5

<table>
<thead>
<tr>
<th></th>
<th>Diagnostic WOM</th>
<th>Non-Diagnostic WOM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does not follow WOM</td>
<td>26.4%</td>
<td>41.0%</td>
</tr>
<tr>
<td>Follows WOM</td>
<td>24.1%</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Of all subjects receiving WOM communication from an expert dispatcher, a total of 19.6% chose according to WOM. The percentage of all subjects following WOM after receiving diagnostic information was 24.5%. Hence, we suggest that WOM communication being diagnostic is more important than having it supplied by an expert. However, in support of hypothesis 5 table 3 shows that the highest percentage of subjects following WOM is when the speaker is an expert and the WOM provided is diagnostic (12.9% compared with 6.7, 11.2 and 1.7 percent). In addition, of all the participants not following WOM the least percentage is found where an expert provides diagnostic WOM (11.2 % compared with 16.3, 15.2 and 24.7 percent).

When scrutinizing the interaction effects for the type of WOM and the type of speaker, we examined the percentages in the cross-tabulations in Table 3. While 11.2% in the Novice/Diagnostic WOM condition followed WOM, the percentage in the Expert/Non-diagnostic WOM condition was 6.7. This further supports our argument that related to the influence of WOM on consumer choice it is more important that the message is diagnostic than being dispatched from an expert. Thus, we can conclude that WOM works best in persuading consumers when it is both diagnostic in nature and dispatched by an expert.

DISCUSSION
Results from our experiments support the hypotheses we started out with. Our findings indicate that there is a marked relationship between the brand chosen and presence of WOM when the alternatives are perceived to be equal in quality. In addition, when one brand is preferred over another, WOM influences respondents into changing their preferences. Finally, whether or not WOM is followed depends on the expertise of the person providing it as well as the type of message conveyed in it. More specifically, diagnosticity of the WOM is more persuasive than dispatcher expertise. This is an important finding, especially in view of the fact that prior research has focused more on the dispatcher effects rather than message effects.

While our simple scenario experiments have established new insights on the effects of expertise and diagnosticity in combination, researchers should strive to expand and validate the findings reported here. One path for future WOM research could be the relative impact on choice contingent on the magnitude of the choice outcome. Or stated differently, whether the findings still apply when the result of choosing the wrong alternative is
either less or more critical. We also believe that the expert/novice effects will depend on whether the WOM dispatcher is actually liked by the receiver. An interesting question then is whether a novice you like is more influential than an expert whom you do not like.

WOM is a powerful tool for marketers in influencing consumer choice, especially in product categories where consumers rely more on WOM than on any other kind of information. These product categories would typically include the services sectors where product quality cannot be properly judged prior to purchase and where consumers use personal sources with product experience. Since our study has shown diagnosticity to be more important than expertise, marketers should strive to have opinion leaders providing diagnostic information.

APPENDIX 1: SCENARIO INSTRUCTIONS

Study 1 – Pre study
You have decided to buy a DVD-player. Especially two players have stood out as interesting – player A and player B. They both come in either black or silver gray, and are both produced by American brands.

Cells 1 and 2
After some time of consideration you find player A and player B to be of equal quality.

Cells 3 and 4
After some time of consideration you find player A to be superior to brand B

Cells 2 and 4
You are not sure which one to choose, but on your way to the store you meet a good friend whom you know have owned a number of different DVD-players over the last years. He informs you that he has in fact owned both the two DVD-players you are thinking of, and there is no doubt in his mind – Player B is superior to A both when it comes to sound and picture.

Which DVD-player would you chose?
Player A
Player B
*Counterbalancing of brand names is not portrayed in the appendix.

Study 2
You have decided to buy a DVD-player. Especially two players have stood out as interesting – player A and player B. They both come in either black or silver gray, and are both produced by American brands.

After some time of consideration you find player A to be superior to brand B

On your way to the store you meet a good friend
- whom you know have owned a number of different DVD-players over the last years (cell 1 and 3, expert)
- whom you know is also planning to buys his first DVD-player (cell 2 and 4, novice)

On hearing that you are in the market for a DVD-player he informs you that he actually bought
- player B last week because he finds it superior to player A both when it comes to sound and picture (cell 1 and 2, diagnostic WOM)

- a DVD-last week, and that he ended up choosing player B (cell 3 and 4, non-diagnostic WOM)

Which DVD-player would you chose?
Player A
Player B

*Counterbalancing of brand names is not portrayed in the appendix.

REFERENCES
SPECIAL SESSION SUMMARY

Influence of Face Reading on Consumer Judgments

Session Chair: Rajesh Bagchi, Virginia Polytechnic Institute & State University, USA

Looks do matter! Life experiences of good looking people are different from those of average looking people. Beautiful females are treated differently than average looking females (Patzer 1985). Facial competence of political leaders predicts their victory margins (Todorov et al. 2005). In social situations initial impressions and evaluations from faces are used for guiding subsequent interactions. In many consumer decision-making contexts, faces of interaction partners may be used to assess their personality, traits, emotions, and underlying motivations. These inferences might influence subsequent consumer behaviors. For instance, salespeople are often initially judged based on nonverbal behaviors, which influence interpretation of subsequent actions (Ambady, Krabbenhoft, and Hogan 2006). Yet, there is very little work in consumer behavior that systematically studies how such face reads influence consumer and managerial perceptions and behavior. Thus, our objective is to introduce this important but understudied topic to mainstream consumer research.

In particular, we present three perspectives on how face reads can influence consumer perceptions. Paper 1 discusses the influence that the seller’s face may have on buyer price expectations in face-to-face negotiation contexts. Paper 2 deals with how inferences made from a company’s chief executive officer’s face can influence consumer judgments about the company. And paper 3 discusses how facial expressions and observations of body language can influence evaluations of experiences that are shared between friends and between strangers.

Bagchi, Chakravarti, and Sinha study how seller facial representations (honest vs. dishonest) influence buyer price expectations in face-to-face negotiations. Sellers often vary their concession patterns to influence buyer price expectations. Sellers may offer a smaller initial concession followed by a larger later one (i.e., a concave concession pattern) or a larger initial concession followed by a smaller later one (i.e., a convex concession). These concession patterns are ambiguous and interpretation of these concession patterns may be contingent on other available cues in the negotiation context. One powerful interpretive cue that is available to buyers in face-to-face negotiations is the seller’s face. Although, previous studies that have contrasted face-to-face negotiations with anonymous ones find significant process and outcome differences, few of these studies have systematically studied how reads of the seller’s face influences buyer’s price expectations. Thus, the authors explore how seller facial representations that are perceived to be relatively honest or dishonest influence buyers’ price expectations. They also investigate whether the mode of processing the seller’s face (conscious vs. nonconscious) can influence buyer’s price expectations and whether or not these inferences can be generalized to negotiation scenarios where buyers may be privy to other more diagnostic information about the seller.

Gorn, Jiang, and Johar investigate the effects of babyfaceness on the trustworthiness judgments of a company’s chief executive officer in a public relations crisis. Babyfaced people (large eyes, small nose, high forehead, and small chin) are perceived as kinder, warmer, more honest and more naïve than maturefaced people (Berry and Brownlow 1989, Berry and McArthur 1985). These authors systematically investigate whether these inferences are spontaneous and correctible in the face of competing contextual cues. In particular, study 1 demonstrates boundary conditions for the babyliveness-honesty trait inference and its influence on company evaluations. Study 2 shows that trait inferences of honesty are drawn spontaneously but are corrected in the presence of situational evidence (a severe crisis) if cognitive resources are available. The authors show that these babyface-trait associations underlie evaluations by reversing the babyface effect on judgments in (a) experiment 3, where a priming task creates associations counter to the typical babyface-unintentional harm stereotype, and (b) experiment 4, which creates a situation where innocence is a liability.

McGill and Ramanathan examine differences in the effects of sharing an experience between friends and between strangers. Many consumer experiences are shared. Movies, dinners, plays, even museum tours offer benefits in their own right, but these experiences are also instruments in our emerging and continuing affiliations. Verbal and nonverbal expressions during these experiences reinforce our connection and bind our feelings over time. These authors find that while friends and strangers both show greater synchrony in their moment-to-moment evaluations of the experience when they can observe each other’s facial expressions and body language, the effects are stronger when these experiences are shared between friends than when they are shared between strangers. The authors trace the emergence of coherence to processes of mimicry and emotional contagion by coding participants’ facial expressions and head movements for direct evidence of contagion. Interestingly, they find that greater synchrony in moment-to-moment evaluations to be correlated with more positive retrospective evaluations when the experience was shared between strangers but not so when it was shared between friends. However, synchrony in moment-to-moment evaluations led to greater feelings of interpersonal rapport when the experience was shared between friends but not so when it was shared between strangers.

These studies highlight the importance of face reading in different consumer contexts. In the first paper, buyers’ price expectations are influenced by seller’s facial representations in a direct selling context. In the second paper, consumer evaluations of a company are influenced by the CEO’s facial characteristics. The third paper shows that evaluations of shared experiences between consumers are influenced by synchrony of facial expressions and nonverbal behaviors. Furthermore, these studies also contribute to the literature on face reading by investigating some downstream consequences (e.g., evaluations and judgments). Thus, this session should be of interest to both marketing academics as well as practitioners. The studies in these papers have all been completed.

As discussed earlier, the main goal of this session is to introduce an emerging area into mainstream marketing research. Consistent with this goal, Gita Johar will discuss the main contributions of these papers and at the conclusion of the session the session chair will allocate adequate time to solicit audience reactions and suggestions for future research. In summary, the following three papers will be presented in this session.

Advances in Consumer Research (Volume VIII), © 2009
Long Abstracts

Seller’s Face and Concession Patterns: Influence on Buyer’s Price Expectations
Rajesh Bagchi, Virginia Polytechnic Institute & State University
Dipankar Chakravarti, Johns Hopkins University
Atanu R. Sinha, University of Colorado at Boulder

A majority of marketing negotiations occur in face-to-face settings where the negotiating parties must evaluate the received offers (counteroffers) to reach agreement. In such negotiations sellers use a variety of tactics to induce advantageous inferences regarding the seller’s willingness to transact in order to arrive at an attractive final transaction price (Kwon and Weingart 2004; Srivastava et al. 2000). One such tactic that sellers often use involves changing the size and sequence of price concessions. For instance, sellers might offer a smaller initial concession followed by a larger later one (i.e., a concave concession pattern) or a larger initial concession followed by a smaller later one (i.e., a convex concession). However, these concession patterns are ambiguous and buyers may interpret these concession patterns based on other cues available in the negotiation context.

One powerful interpretive cue that is available to buyers in face-to-face negotiations with anonymous ones (e.g., Srivastava and Oza 2006; Valley et al. 1998) find significant process and outcome differences. Some of these are attributed to social factors such as interpersonal perceptions and compatibility (Nadler and Shestowsky 2006). Yet, few of these studies have systematically studied how reads of the seller’s face influences buyer’s price expectations in the presence of seller’s negotiation tactics such as concession patterns.

Thus, we explore how seller facial representations that are perceived to be relatively honest or dishonest influence buyers’ price expectations in the presence of the seller’s concession patterns. We also investigate whether the mode of processing the seller’s face (conscious vs. nonconscious) can influence buyer’s price expectations. Finally, we examine if these inferences can be generalized to negotiation scenarios where buyers may be privy to other more diagnostic information about the seller.

In study 1 we benchmark the influence of concession patterns on buyer price expectations. We find that in the absence of other cues, buyers extrapolate the seller’s concessions to predict the seller’s next offer. Thus, convex concession patterns elicit higher anticipated offers relative to concave concession patterns. In study 2 we introduce seller faces that are calibrated as being honest or dishonest. We find that buyers seem to correct more with a dishonest seller face relative to an honest one. Buyers may have felt that they were being more discriminatory towards the seller when the seller’s face was dishonest relative to when it was honest. Thus, they were more likely to use the seller’s concession patterns when the face was dishonest relative to when it was honest. Consequently, concession patterns influenced anticipated offers more with a dishonest seller face relative to an honest one. In study 4 we create a more representative negotiation environment where buyers were made aware of the negative connotations of the used-car seller stereotype. Thus, in this study we manipulate prior seller behaviors to be negative or positive. In addition, we also made buyers aware of the influence of the seller’s face so as to give them an opportunity to correct for its influence. Thus, this was a conservative test of the influence of the seller’s face where buyers were privy to more diagnostic information regarding the seller as well as were cognizant of the influence that the seller’s face may have on their inferences. As expected, we were able to replicate our results from study 3 when the seller’s prior behaviors were negative suggesting that in study 3 buyers were taking the “negative used-car seller stereotype” into consideration when making judgments about expected price. With prior positive behaviors, however, neither the seller’s face nor the concession patterns influenced price expectations.

Thus, across a series of studies we find support for our intuition that the seller’s face influences buyers’ price expectations and provide a framework to study such an influence. We also discuss theoretical and managerial implications and suggest future extensions.

Product Crises and Babyfaces: The Face of a Company Affects Consumer Judgments
Gerald J. Gorn, (Hong Kong University of Science and Technology
Yuwei Jiang, Hong Kong University of Science and Technology
Gita V. Johar, Columbia University

Search the web for today’s business news or read the business section of the newspaper and you will likely come across a headline about a company facing a public relations (i.e., PR) crisis. Take the recent headline “Edelman Eats Humble Pie, Unmasked as Force behind Wal-Mart Blog; PR Giant Does Damage Control” in Advertising Age (2006). The accompanying article and photo of Richard Edelman contains an apology by him for a fake blog that his firm created on behalf of Wal-Mart. The question we address is how consumers will respond to Edelman’s public apology for the “error in failing to be transparent about the identity of the two bloggers from the outset.” How will Edelman’s apology impact consumer liking for the Edelman and Wal-Mart brands? We believe that Edelman’s photo in the news article, specifically whether he is perceived to have a “babyface” (large eyes, small nose, high forehead, and small chin) or a mature face will be one of the determinants of their response.
Appearsances bias impressions. Is the person attractive? Are they tall? Do they have a babyface? Babyfaced people are perceived as kinder, warmer, and physically weaker than mature-faced people (Berry and McArthur 1985). They are also perceived as more honest and more naive (Berry and Brownlow 1989). The focus of most of the babyface research has been on trait inferences and not on the downstream consequences of these inferences, such as evaluations and judgments (Zebrowitz 1997). Also prior research has not systematically investigated the boundary conditions for this effect and it is not clear whether these inferences are spontaneous and correctible in the face of competing contextual cues. Our research contributes to the literature by addressing these gaps.

We examine a situation where a company has a product-related PR crisis— their cough remedy that turns out to have side effects. The crisis results in adverse publicity—a news report of the crisis containing a photograph of the CEO. A question that is likely to be raised in the reader’s mind when reading the report is whether the company knew about the problem beforehand but did not acknowledge it publicly. One cue that might be used to answer this question is the face of the CEO and how honest it looks. Based on the literature, we expect that a babyfaced (vs. maturefaced) CEO will be seen as more honest, with attitudes towards their company more favorable as a result.

If consumers are however alerted to other cues in the situation that are more diagnostic regarding intentionality, appearance-based inferences should be corrected. One situational cue is the severity of the crisis. If the crisis is severe, the inference that the babyfaced CEO did not intentionally mislead consumers is likely to be “corrected,” if they have the cognitive resources to make the correction. Attitudes towards the company should be negative regardless of the shape of the CEO’s face.

Another gap in the literature concerns the previously mentioned lack of examination of the effect of face-trait associations on downstream judgments. We address this gap experimentally through the prior priming of either associations consistent with the babyface stereotype or counter to it. We also address it by creating situations in which innocence has negative versus positive implications. We take the same construct of innocence and the associations related to it to show how in a public relations crisis, perceptions of innocence arising from babyfacedness can be either an advantage or a disadvantage.

In our first experiment, we manipulated the face shape of the CEO, cognitive capacity and crisis severity. Participants were asked to read a fake Yahoo news article about the pharmaceutical company whose new product has been found to have side effects. The article featured a photo of the CEO morphed into either a babyfaced or maturefaced photo.

As expected, babyfacedness influenced perceived honesty of the CEO, which in turn influenced company attitudes, except when many users suffered the side effect (extreme crisis). However, if cognitive capacity was limited, babyfacedness had a significant effect even in a high crisis situation. Hence babyface-honesty inferences appear to be spontaneous, which are corrected when sufficient cognitive resources are available.

Experiment 3 further demonstrated that the natural association between babyfacedness and honesty/unintentional wrongdoing underlies inferences about perceived honesty and persuasion. The natural association between babyfacedness and unintentional wrongdoing was reversed by creating associations between babyfacedness and intentional harm through a priming task prior to exposure to the Yahoo article. As a result, the mature-faced CEO was perceived as more honest with company attitudes more favorable.

Experiment 4 showed that the association of babyfaceness and innocence has negative consequences if innocence implies naivété. We constructed a situation in which a company recovering from a PR crisis is searching for a new CEO. The PR crisis was either due to a former CEO’s dishonesty or his lack of vigilance. A mature-faced CEO was viewed as a better choice to lead the company than a babyfaced CEO in the vigilance-in-doubt situation whereas a babyfaced CEO was viewed as a better choice than the mature-faced CEO in the honesty-in-doubt scenario. These results provided further evidence that the traits associated with babyfacedness are used in downstream judgments. In sum, our research suggests that in PR crises, the face of the company definitely matters in most cases.

Connecting with Others through Shared Experiences: Differing Effects for Friends and Strangers

Ann L. McGill, University of Chicago
Suresh Ramanathan, University of Chicago

Friendships and romances play out through shared experiences. Movies, dinners, plays, museum tours, even lectures offer benefits in their own right, but these experiences are also instruments in our emerging and continuing affiliations. Verbal and nonverbal expressions during these experiences reinforce our connection and bind our feelings over time. So, what about strangers? Do strangers grow more connected to each other also as they glance at each other’s facial expressions and postures and share the occasional look of wonder, amusement, boredom, or horror? The present research is intended to examine differences in the effect of sharing an experience for friends and strangers both in the evaluation of that experience and in the downstream effects on feelings of rapport.

In this paper, we examine how shared consumption of an experience may alter both the moment-to-moment affective reaction and consumers’ overall retrospective evaluations of the experience. We suggest that global evaluations are influenced not just by the individual’s own peak or end affective states but also by the degree to which the individual feels connected or entrained with another person sharing the same experience. In this study, we examine one moderating variable—whether or not people can observe each other’s expressions while going through the experience. Participants, who were either strangers or best friends, watched a popular comedy show on two adjacent computers. We manipulated observability for the pairs by using a tall or a short partition between the two computers. Online ratings were collected every second via a joystick. A cross-spectral analysis was run on the resultant time series (420 data points per individual), to determine how people move together in their ratings at various frequencies. This measure, called coherence, was found to be higher among people who could observe each other’s expressions, suggesting that their ratings covaried with each other over the long run. This coherence, in turn, was found to independently predict the joint evaluations of the experience by both members of the pair, over and above the individuals’ own peak and end affect.

In order to understand the processes underlying these effects, we also surreptitiously videotaped pairs of participants while they were evaluating the video clip. Images from the videotaping were routed through a split screen generator to a digital video recorder that recorded a split screen image for both participants that was subsequently analyzed moment by moment by independent raters. The raters coded for glances initiated by either participant, and the emotional expressions on each face.
Our results show that strangers who could see each other glanced in the direction of each other, sometimes sharing a look, sometimes looking on their own, and so became entwined in their moment-to-moment evaluations of the experience. Further, the greater the extent of this synchrony, the more positive was their retrospective evaluations of the experience. We also recorded how close participants sat after the experience was over as a measure of post-experience rapport. We found that seating distance for strangers was affected by end affect but not by synchrony. Strangers therefore appeared to attribute the good feelings associated with synchrony to the quality of the short movie and not to the connection that had developed between them.

Our results for friends suggest important differences in how they share an experience. Friends looked at each other more than strangers and achieved a higher level of synchrony. Additional results support the view that this greater synchrony developed between friends through mimicry and emotional contagion, not shared tastes. Specifically, friends in the mere presence (full partition) condition, who could not see each other because of a partition between them, did not achieve a higher level of synchrony than strangers in the same condition, and their synchrony was less than friends who could see each other. Friends also differed from strangers in how they interpreted the entwinement. Whereas strangers appeared to attribute the good feeling of being entwined to the experience itself, friends did not base their retrospective evaluations on the degree of synchrony. Instead, friends sat closer to each other, the more they were entwined in their online assessments, suggesting that they attached the good feeling of being entwined to their underlying friendship.

Friends and strangers also appeared to interpret their experiences in the mere presence condition differently. As noted above, friends and strangers did not differ in the degree of synchrony in this condition. However, retrospective evaluations of the experience were lower in this condition for friends compared to strangers. Combining this result with the findings for the full presence (short partition) condition suggests that friends expected to grow closer by sharing an experience, attributed good feelings of being able to do so (i.e., when they could see each other) to each other, but attributed bad feelings of not being able to do so to the experience. Hence, friends and strangers both evince asymmetric reactions to viewing conditions, albeit of different types. Friends do not like an experience more when they are able to bond but they dislike the experience when conditions get in the way of their interaction. For strangers, we find the opposite; they like the experience more if conditions let them connect but do not judge the experience poorly if they cannot.
Marketers of little known brands often advertise their brands in comparison to the market leader in order to associate their brand with the qualities of the leading brand. In order to avoid giving “free” advertising to the market leader some ads omit the name of the leader either by showing the package of the leading brand and obscuring the name, or by verbally comparing the weak brand to “the leading brand” without ever mentioning the name of the leading brand. While this practice may improve the brand image or positioning of the weak brand, theories of the relationship of storage and retrieval strength of items in memory suggest that such indirect comparison might hurt recall of the weak brand.

Storage strength refers to how well-learned, inter-associated, or entrenched something is in memory, but has no effect on current accessibility in memory. Retrieval strength refers to how accessible something is in memory. Brand leaders exhibit high storage and retrieval strength. High retrieval strength increases the likelihood that the brand can be recalled in response the “the leading brand” as a cue. Given that the act of generating information from memory modifies the system by further increasing retrieval strength, an indirect comparison in an ad, may actually improve recall of the leading brand. The high storage strength of the leading brand protects against loss of retrieval strength, making later retrieval of the leading brand more likely. In addition to improving recall of the leading brand indirect comparisons in advertisements may hurt recall of the weak brand by taking cognitive resources away from the encoding of the weak brand during the presentation of the ad.

H1: In response to Indirect Comparison [IC] – for ads that require high cognitive effort to process the leader will be generated and remembered. However, given that there is a more effortful generation process than in the IC – low effort case, recall for the advertised brand will be lower than in the IC – low effort case.

H2: In response to IC – low effort ads (in which the leader is not named), the leader will be generated resulting in higher recall of the leader than in response to Non-Comparative [NC] ads (in which the leader is also not named).

Our study employed a 2 x 4 within-subjects experimental design which varied storage strength of the brand (weak vs. market leader) and varied the type of comparison (Direct Comparison [DC], IC – low effort, IC – high effort, and NC). DC ads showed the package and name of the competing brand (Pechnann and Stewart 1990). IC ads showed the package of the competing brand with the name blanked out (Pechnann and Stewart 1990). Unlike previous research, which used either NC ads as controls (e.g., Gorn and Weinberg 1984) or IC ads as the control (Pechnann and Ratneshwar 1991), central to our hypotheses about generation effects, that greater cognitive effort in generating the market leader competitor brand would be associated with decreased recall of the advertised brand, we employed an IC – low effort condition, whereby we showed only the package of the competing brand, and an IC – high effort condition whereby there was a claim of comparison, although we did not show the package of the competing brand. A control condition included NC ads whereby we showed and referred to only the advertised brand.

Consistent with our first hypothesis, advertised brand recall for the IC – high effort condition was reliably lower than the NC condition, both when the market leader was the target, t (135) = 1.93, p = .05, and when the weak brand was the target, t (135) = 1.79, p = .07. Supporting our second hypothesis, comparison brand recall (cf. “competing brand recognition”: Mantonakis and Yoon 2009) for the IC – high effort condition was significantly higher than the NC condition, when the weak brand was the target, t (135) = 2.16, p < .05, despite the fact that in neither condition was the leader named or the leading brand package shown.

Our results support our hypotheses and suggest (a) that IC ads encourage retrieval of the comparison brand thus increasing its level of recall when compared to an NC ad presentation, and (b) IC ads, by encouraging generation of the competition, take cognitive resources away from the encoding of the advertised brand, thus hurting later recall of the advertised brand.

Our findings have important implications for comparative advertising. First, efforts by marketers to reduce exposure of competitive brands do work. Ads that obscure the name on the package of the leading brand lead to lower recall of the leading brand than do ads that explicitly name the leading brand. Second, not naming the leading brand and not showing its package further reduces (false) recall of the leading brand compared to ads that explicitly name the leading brand. However, this reduction comes at a cost in recall of the advertised weak brand. Furthermore, recall of the leading brand in this condition is still significantly higher than when a non-comparative ad is shown. Clearly if a marketer wishes to benefit from associating a weak brand with the category leader the marketer is better off showing the package with the leading brand obscured rather than simply comparing the brand to “the leading brand.” Furthermore, this finding underscores the importance of applying basic theories of memory to marketing applications in order to avoid negative unintended consequences.

On the Relationship between Retrieval Strength and Storage Strength in Comparative Advertising

There are many advantages for marketers of low market-share brands to explicitly position their brands relative to the market leader in a direct comparative (DC) advertising context (Droge and Darmon 1987; Gorn and Weinberg 1984; Sujan and Dekleva 1987; Walker, Swasy and Rethans 1985). DC positioning increases the image of the weak brand (Gorn and Weinberg 1984) primarily because it attracts attention to the weak brand (Pechnann and Stewart 1990). The very nature of DC ads, evoking a comparison to the market leader, leads to the adoption by consumers of “association heuristics” (Chaiken 1987), or a heightening of consumers’ perception of similarity between the weak brand and the well-known market leader. Persuasion theories involve the role of elaboration in attitude change (e.g., Petty and Wegener 1999), and as long as there is a moderate discrepancy between the advertised and comparative brand, elaboration is enhanced (Priester, Godek, Mayakanakuppum and Park 2004). Taken together, findings suggest that DC ads increase attention to the ad, increase cognitive information processing, and lead to greater message and brand awareness (using memory measures), and increased brand attitudes, purchase intentions, and purchase behaviors (Grewal, Kavanoor, Fern, Costley and Barnes 1997).

Indirect comparative (IC) advertising, whereby there is a
claim of comparison to the competition (e.g., with the package of the competing brand with the name obscured; Pechmann and Stewart 1990), is not as effective at positioning a weak brand relative to a market leader, compared to the DC case (Pechmann and Graf 1978). Although this effect has been applied to non-comparative situations (e.g., generation of either the brand name or the category for the brand name, causes and Ratneshwar 1991). Pechmann and Ratneshwar (1991) argued that comparison heuristics such as “this brand is comparable to the market leader brand” (Chaiken 1987) are unlikely to be used by consumers in IC ads because in such ads, the market leader competitor is not actually named. We believe that this claim is one reason why IC ads have received minimal attention in the literature. However, given that marketers of weak brands are reluctant to want to give “free advertising” to the market leader, IC ads continue to prevail in the marketplace.

In the case of weak brands being positioned relative to the market leader in an IC advertising context, there is debate about whether consumers are likely to spontaneously infer the comparison brand’s identity (Goodwin and Elgar 1980; Pechmann and Stewart 1990; Walker et al., 1985). Recent research suggests that for IC ads, consumers do spontaneously think about specific competitors (e.g., the market-leader) and form mental representations of a particular competitor, namely the prototype brand of the advertised category (Minardi, Barone, Rose and Manning 2006). This is in-line with previous findings which have shown that DC ads encourage “exemplar-based” (Medin and Shaffer 1978) processing, whereas IC ads encourage “prototype-based” (Rosch 1975) processing (Snyder 1992). Thus, IC ads, although not explicitly mentioning which brand the competition is (e.g., “Xtra cleans better than the competition”), may elicit automatic generation of the name of the leading brand (Tide, in this case; Miniard et al 2006; see also Mantonakis and Yoon 2009).

This is a very important consideration given that such generation is a memory-modifier. That is, the very act of generation of this sort makes the brand more recallable in the future (Bjork 1975). In addition, successful generation is more effective when the generation itself is more effortful (Thios and D’Agostino 1976). Memory is a prime component of the hierarchy of comparative advertising effects model (Lavidge and Steiner 1961; although see Grewal et al 1997). There is a great body of literature on such generation processes; items that have been generated are more memorable than items that have been simply read; Slamecka and Graf 1978). Although this effect has been applied to non-comparative situations (e.g., generation of either the brand name being advertised, or the category for the brand name, causes enhanced brand recall; Sengupta and Gorn 2002; McCann 1995), the effects of (potential) generation of the comparison brand (in IC ads) on recall of the advertised brand has not been examined in the literature. In this paper we posit that (1) spontaneous generation can act as a learning episode for the comparison brand, causing increased recall and recognition for the comparison brand, something that is not intended by advertisers employing IC ads, and more importantly, (2) the generation process (used towards the comparison brand) may actually preclude the successful encoding of the advertised brand. Our specific research question is, in conditions in which generation is more likely to occur, are consumers less likely to recall the advertised brand than if the ad did not evoke a comparison?

THEORETICAL BACKGROUND

Retrieval processes have been shown to play an important role in the recall of ads (Janiszewski, Noel and Sawyer 2003) and of brand names (Appleton-Knapp et al., 2005). Furthermore, work in educational and cognitive psychology has shown that actual “retrieval” or generation of information from memory is far more effective for learning than alternative presentation methods of the information (Bjork 1988). However, previous work demonstrates that retrieval is more or less effective at improving memory depending on levels of pre-existing knowledge about the stimuli (Bjork and Bjork 1992). There is evidence that generation of the knowledge associated by the predictions of the New Theory of Disuse (Bjork and Bjork 1992; see also Estes 1955). We first define how the Theory characterizes memory content: as a function of “storage strength” (how well-learned something is) and “retrieval strength” (how accessible something is).

Storage strength refers to how well-learned, inter-associated, or entrenched something is in memory, but has no effect on current accessibility in memory. Thus, storage strength reflects the degree to which something has been learned. In addition, storage strength is assumed to never be lost. It is considered to be a latent variable that can enhance accessibility during “relearning” of something. To illustrate, high storage strength (e.g., knowledge of the market leader, Tide) allows one to learn a new association to Tide (e.g., Lilac Tide), even though that knowledge (of Tide) is not currently accessible in memory. However, low storage strength (e.g., a weak brand) undermines one’s ability of further learning, which is why it is difficult to learn about a new brand if the person has no background knowledge about it. That is, storage strength determines one’s ability to interpret new information in light of existing information, and serves to create additional opportunities to further increase knowledge. For this reason, it makes sense to use consumers’ knowledge of well-known brands to position new brands.

Retrieval strength refers to how accessible something is in memory. The very act of generating information from memory modifies the system by further increasing accessibility. In addition, the very act of successful generation facilitates later remembering only to the extent that it is difficult or involving. This is a highly adaptive property of memory: retrieval strength is affected by frequency, recency, and difficulty of access, and is very limited. Only a limited number of concepts can have high retrieval strength in any given moment, otherwise, the system could not function.

One of the major assumptions of the Theory is that storage strength should affect generation. That is, given the category “laundry detergent”, people should more easily generate “Tide”. In addition, the lower the retrieval strength at a given point, the more that item stands to benefit when it is generated. This means that IC ads (e.g., “Xtra cleans tough stains better than the leading brand”) may not only encourage accurate generation of the market leader, but retrieval strength of the market leader would be enhanced. Finally, another assumption of the Theory is that increasing retrieval strength of one item in a category simultaneously decreases retrieval strength of competing items in a category.

In a competitive advertising situation, marketers of weak brands, about which consumers have relatively little knowledge, will often compare their brand to the leading brand, about which consumers may know a great deal. We posit that such positioning, although effective at creating an association with an already well-known brand in DC ads, may actually harm recall of the advertised weak brand in the context of IC ads (e.g., in generating Tide in the above example, one may be less likely to recall Xtra). We argue that the harmful effect on the weak brand is more robust in situations whereby consumers must engage in more effortful processing in generating the market leader brand in IC ads.

We employed a 2 x 4 within-subjects experimental design which varied storage strength of the brand (weak vs. market leader) and varied the type of comparison (DC, IC – low effort, IC – high effort, and non-comparative; NC). We did not assume that there is little advantage to using a weak brand as the comparison brand.
We employed an IC – low effort condition whereby we showed only the package of the competing brand, and an IC – high effort condition whereby there was a claim of comparison, although we did not show the package of the competing brand. A control condition included NC ads whereby we showed and referred to only the advertised brand.

We expected that in IC ads, the weak brand will be confused with the leader, and there will be source confusions due to a plausibility heuristic (Johar et al., 2006). More importantly, the level of effort in retrieving the competitive brand required by the IC ad will directly influence the probability of recall of the advertised brand. More formally,

H1: In response to IC – high effort ads, the leader will be generated and remembered. However, given that there is a more effortful generation process than in the IC –low effort case, recall for the advertised brand will be lower in the IC – high effort than in the IC –low effort case.

We also expected that in IC ads, some participants would retrieve the competitive brand thus increasing its recall when compared to the NC ads despite the fact that the brand name was not presented in either condition.

H2: In response to IC – low effort ads (in which the leader is not named), the leader will be generated resulting in higher (false) recall of the leader than in response to NC ads (in which the leader is also not named). The key dependent variables were category-cued recall of the advertised and comparison brands.

Method
Participants. In total, 384 undergraduates, from introductory marketing courses at a large, west coast university, participated as partial fulfillment of course requirements. 152 participants completed the first pilot test, 98 completed the second pilot test and 134 completed the experiment.

Materials. In order to generate a list of brands that was recognizable for our participants we conducted a series of pilot tests. In the first pilot test we asked 152 students to list brands that they knew in 40 different product categories (e.g., “Name every brand of candy bar that you can think of”). By computing the percentage of students who named various brands within a product category we determined which brands were the leading brands or weak brands based on retrievability of the brand among students comparable to our participants. From this pre-test we selected eight product categories in which the brand leader was named by at least 80% of participants and in which the next most named brand was named by fewer than 50% of participants. By doing so, we assured that our target categories had clear brand leaders.

A second pilot study was conducted with 98 students to determine a) whether it was possible for students comparable to our participants to generate (from memory) the target brands when presented with a photo of the package with the name erased and b) if students had heard of the weak target brands. Participants viewed a series of 50 photos of product packages from the eight categories determined in the first pilot test. Half of the photos showed the package with the brand name obscured whereas the other half showed unedited packages. In response to the unedited photos participants were simply asked to state whether or not they had heard of the brand before. When participants saw the photos with the brand name obscured, they were asked to generate the brand name (if possible). In all of our eight target categories the brand leader was correctly identified from photos showing the package with the brand name obscured at least 88% of the time.

Design. We employed a 2 x 4 within-subjects design which varied the brand type being advertised (leading brand vs. weak) and varied the type of comparison by the text and the photos in each ad (see table 2). DC ads showed the package and name of the competing brand, however there was an X through the photo of the comparison brand. The text described how the target was better than the comparison brand (e.g., “Tide cleans tough stains better than Xtra” in the case of a weak brand target, or “Xtra cleans tough stains better than Tide” in the case of a weak brand target. IC –low effort ads showed the package of the target brand and an X through the package of the comparison brand with the brand name obscured. IC – high effort ads did not show the name or the package of the competing brand but rather showed the package of the target brand with a generic photo of the product category (e.g., a bowl of soup in the soup category). The accompanying text of the IC ads was the same as in the DC condition except that instead of naming the comparison brand, the comparison brand was simply referred to as “the competition” in the case of a leading brand target, or “the leading brand” in the case of a weak brand target. NC ads showed and referred to only the advertised brand, and depicted the same photos as the IC – high effort ads, but the text simply described a positive attribute of the target brand.

In order to control for specific item effects, every product category was shown in each condition. Also, an 8 x 8 Latin square was used to eliminate presentation-order effects. Conditions appeared in 8 different sequences and within each of those sequences every category appeared once in each position. Each sequence was preceded by two filler ads followed by a news brief and then two more filler ads to control for primacy effects. The same pattern ended each sequence to control for recency effects. Of the eight filler ads two were comparison ads and 6 were not in order to prevent any demand effects that might have resulted from the uneven number of comparative target ads.

Procedure. Participants viewed a fictitious website that contained articles, target ads, and filler ads (cf. Pechmann and Stewart’s 1990, “electronic magazine”). Similar to Pechmann and Stewart (1990) the advertised brand, shown on the left-hand side, was shown in a large picture, whereas the comparison brand, shown on the right-hand side, was shown in a smaller picture (see table 2).

Participants viewed a total of 16 ads and 2 news briefs that were presented on a computer. The ads were shown for 6 seconds each, and the news briefs for 24 seconds each making the study phase of the experiment about 2.5 minutes long. Following the study phase participants worked for 10 minutes on a distractor task consisting of difficult mazes. The test phase of the experiment
was a category-cued recall test in which 3 answer spaces were given for each category.

**Results and Discussion**

The recall data for advertised brands are reported in Table 3. Participants correctly recalled more of the leading brands than the weak brands, $F(1, 133) = 230.63, MSE = 67.51, p < .0001$, and there was also a main effect of ad type, $F(3,133) = 4.29$, $MSE = .81, p < .005$. The interaction was not significant, $F<1$. Interestingly, although no other cells were significantly different from the NC condition, consistent with our first hypothesis, advertised brand recall for the IC – high effort condition was reliably lower than the NC condition, both when the leader was the target, $t(135) = 1.93, p = .05$, and when the weak brand was the target, $t(135) = 1.79, p = .07$.

The recall data for comparison brands are reported in Table 4. Participants recalled more of the leading brands than the weak brands, $F(1, 133) = 359.17, MSE = 34.90, p < .0001$, and again there was a main effect of ad type, $F(3,133) = 61.83, MSE = 9.35, p < .0001$. Furthermore, there was an interaction between ad type and brand strength, $F(3,133) = 8.91, MSE = 1.34, p < .0001$. Supporting our second hypothesis, comparison brand recall for the IC – high effort condition was significantly higher than for the NC condition, when the weak brand was the target, $t(135) = 2.16, p < .05$, despite the fact that in neither condition was the leader named or the leading brand package shown. Another interesting result was that when weak brands are advertised in the IC-low effort condition, recall of the leader was significantly lower than in the DC condition, $t(135) = 5.86, p < .0001$ and when weak brands are advertised in the IC-high effort condition, recall of the leader was significantly lower than in the IC-low effort condition, $t(135) = 4.16, p < .0001$. Obscuring the name of the leader reduces recall of the leading brand in comparative advertising as does not showing the leading brand package at all.

Our findings have important implications for comparative advertising. First, efforts by marketers to reduce exposure of competitive brands do work. Ads that obscure the name on the package of the leading brand lead to lower recall of the leading brand than do ads that explicitly name the leading brand. Second, not naming the leading brand and not showing its package further reduces (false) recall of the leading brand compared to ads that explicitly name the leading brand. However, this reduction comes at a cost in recall of the advertised weak brand. Furthermore, recall of the leading brand in this condition is still significantly higher than when a non-comparative ad is shown. Clearly if a marketer wishes to benefit from associating a weak brand with the category leader the marketer is better off showing the package with the leading brand obscured rather than simply comparing the brand to “the leading brand.” Furthermore, this finding underscores the importance of applying basic theories of memory to marketing applications in order to avoid negative unintended consequences.

**TABLE 1**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Leading Brand</th>
<th>Weak Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bar Soap</td>
<td>Dove</td>
<td>Coast</td>
</tr>
<tr>
<td>Laundry Detergent</td>
<td>Tide</td>
<td>Xtra</td>
</tr>
<tr>
<td>Potato Chips</td>
<td>Lays</td>
<td>Tim’s</td>
</tr>
<tr>
<td>Facial Tissue</td>
<td>Kleenex</td>
<td>Puffs</td>
</tr>
<tr>
<td>Mouthwash</td>
<td>Listerine</td>
<td>Act</td>
</tr>
<tr>
<td>Yogurt</td>
<td>Yoplait</td>
<td>Brown Cow</td>
</tr>
<tr>
<td>Beer</td>
<td>Budweiser</td>
<td>Red Hook</td>
</tr>
<tr>
<td>Canned Soup</td>
<td>Campbell’s</td>
<td>Amy’s</td>
</tr>
</tbody>
</table>

**TABLE 2**

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>Leading Brand</th>
<th>Weak Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Comparative</td>
<td>Tide</td>
<td>Xtra</td>
</tr>
<tr>
<td></td>
<td>Tide cleans tough stains better than Xtra</td>
<td></td>
</tr>
<tr>
<td>Indirect Comparative</td>
<td>Tide</td>
<td>Xtra</td>
</tr>
<tr>
<td>- low effort</td>
<td>Tide cleans tough stains better than the competition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Xtra cleans tough stains better than the leading brand</td>
<td></td>
</tr>
<tr>
<td>Indirect Comparative</td>
<td>Tide</td>
<td>Xtra</td>
</tr>
<tr>
<td>- high effort</td>
<td>Tide cleans tough stains better than the competition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Xtra cleans tough stains better than the leading brand</td>
<td></td>
</tr>
<tr>
<td>Non Comparative</td>
<td>Tide</td>
<td>Xtra</td>
</tr>
<tr>
<td></td>
<td>Tide cleans tough stains and is gentle on your laundry</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Xtra cleans tough stains better than the leading brand</td>
<td></td>
</tr>
</tbody>
</table>
TABLE 3  
Recall of Advertised Brand

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>Weak Brand</th>
<th>Leading Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Comparative</td>
<td>0.29</td>
<td>0.84</td>
</tr>
<tr>
<td>Indirect Comparative</td>
<td>0.28</td>
<td>0.74</td>
</tr>
<tr>
<td>(high effort)</td>
<td>0.20</td>
<td>0.68</td>
</tr>
<tr>
<td>Indirect Comparative</td>
<td>0.29</td>
<td>0.78</td>
</tr>
<tr>
<td>(low effort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Comparative</td>
<td>0.29</td>
<td>0.78</td>
</tr>
</tbody>
</table>

TABLE 4  
Recall of Comparison Brand

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>Weak Brand</th>
<th>Leading Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Comparative</td>
<td>0.29</td>
<td>0.81</td>
</tr>
<tr>
<td>Indirect Comparative</td>
<td>0.10</td>
<td>0.53</td>
</tr>
<tr>
<td>(high effort)</td>
<td>0.09</td>
<td>0.34</td>
</tr>
<tr>
<td>Indirect Comparative</td>
<td>0.01</td>
<td>0.24</td>
</tr>
<tr>
<td>(low effort)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Comparative</td>
<td>0.29</td>
<td>0.78</td>
</tr>
</tbody>
</table>

REFERENCES


Subsequent Recall,” *Journal of Marketing Research*, 39 (May), 186-201.


Consumer's Preference for (Dis)Similar Alternatives: The Moderating Role of Product Familiarity
Kwanho Suk, Korea University
Song-Oh Yoon, Korea University

EXTENDED ABSTRACT

The current research examines the influence of the attribute similarity among competing brands on consumer’s choice. Attribute similarity is defined as the extent to which a brand has similar with other brands in terms of the attribute levels. Both consumer choice models and consumer behavior studies show that brand preference is affected by attribute similarity. However, the two streams of research emphasize different aspects of the attribute similarity effects. Empirical consumer choice models (e.g., nested logit models and logit models allowing for brand similarity) indicate that the probability that choice probability of a brand decreases as the brand is more similar to others in the choice set due to increased competition and substitutability with other similar brands, resulting in a negative effect on choice (e.g., Manrai 1995). On the contrary, consumer behavior theories suggest that a brand that is more similar to others is preferred to the brands that are less similar (e.g., Loken and Ward 1990). When a brand is more similar to others in attribute levels, the brand is perceived as being a typical brand, and people tend to prefer typical brands to less typical brands.

This research attempts to integrate the two streams of research and presents that the influence of attribute similarity on choice is moderated by product familiarity which is defined as the extent to which a set of products are more familiar and easy to evaluate. In general, attribute similarity increases competition and substitutability, resulting in decreased choice probability. However, it is expected that influence will be more positive when products are less familiar, because attribute similarity is more likely to be used as an extrinsic cue. On the other hand, when the product is more familiar, the negative influence of attribute similarity on choice will be more prominent since attribute similarity not play a role as a decision heuristic. Thus, it is predicted that when products are more familiar, consumers tend to prefer a brand that is more similar to others, whereas when products are less familiar, consumers prefer a more unique alternative.

Our hypothesis is tested in two studies with different research methods. In study 1, we analyzed discrete conjoint data using multinomial logit models. In study 2, the same hypothesis was tested in a laboratory experiment.

Study 1 tests the moderating effect of product class knowledge on the influence of attribute similarity on choice by analyzing a set of discrete conjoint choice data. The data set consist of choice out of three familiar products (i.e., 35mm cameras) and three less familiar products (i.e., APS cameras). Various multinomial logit models incorporating the attribute similarity effects are tested. The estimated parameters supported our hypothesis. For 35mm cameras that are more familiar, attribute similarity has a negative effect on choice, whereas attribute similarity has a positive influence for choice of APS cameras.

Study 2 replicates the findings of study 1 in a controlled experimental setting in which product familiarity and attribute similarity were manipulated. In the experiment, product familiarity was manipulated by presenting either abstract and ambiguous attribute information (i.e., unfamiliar condition) or detailed attribute information (i.e., familiar condition). The participants made a choice between the similar target that is more similar to other competing brands and the unique target whose attributes are more dissimilar from others. The results support our hypothesis. In the familiar condition where the alternatives are described in detail, there was no significant difference between the choice of the similar (46%) and the unique (54%) targets ($z = 0.55$, $p < .57$). However, in the unfamiliar condition where the alternatives are described ambiguously, the probability of choosing the similar target was higher than that of the unique target (69% vs. 31%; $z = 2.89$, $p < .01$). Consequently, the results of this experiment show that the choice of an alternative that is more similar (unique) to others increases when the alternatives being evaluated are described in detail.

Consequently, the finding of the two studies in this paper present converging evidence showing that product familiarity moderates the influence of attribute similarity on choice. When the product is less (more) familiar, consumers are more likely to choose one of the alternatives that are more similar (dissimilar) to others. These finding may bridge the gap between empirical choice modeling and consumer psychology research streams that have focused mostly on either negative or positive influence of attribute similarity on choice.

REFERENCES


Does consumer experience match expectations?
Predicting the influence of price and country of origin on consumer buyer behavior

Roberta Veale, The University of Adelaide Business School, Adelaide
Pascale Quester, The University of Adelaide Business School, Adelaide

ABSTRACT
The influence on consumers’ wine quality evaluations of two extrinsic cues (price and country of origin) was investigated in a context when intrinsic cues were experienced through sensory perceptions. We compared these results with those of a survey employing identical intrinsic and extrinsic cues to measure wine quality expectations. In both instances, extrinsic cues contributed more to perceptions of wine quality than did the manipulated intrinsic cue. Hence, marketers cannot assume that intrinsic cues are interpreted accurately by consumers, pre- or post experience. Further, our study shows conjoint analysis to be a reliable means of predicting consumer cue usage.

EXTENDED ABSTRACT
Consumers form opinions of product and service quality through the evaluation of intrinsic and extrinsic product cues (Bredahl 2003). An intrinsic cue is any attribute inherent to the product or service itself, such as the grape variety used to produce a type of a wine or the material used to make an article of clothing. In contrast, extrinsic cues can be altered without changing the objective attributes of the product, and include price, country of origin or retail distributor. Previous studies have shown that consumers do not always evaluate these cues accurately prior to purchase and may even rely on them inappropriately when judging quality post-purchase (Alba 2000; Kardes, Kim and Lim 2001). By misunderstanding the relative importance of both types of cues to consumers, marketers may ‘champion’ product attributes consumers do not consider important nor properly understand. Conversely, the potential impact on quality assessment of extrinsic cues such as price or country of origin may well be underestimated (Alba and Hutchinson 2000; Alba 2000).

This research investigated consumer reliance on two extrinsic cues (price and country of origin (COO)), over an intrinsic cue actually critical to objective product quality, using two different methodologies. First, when the selected product intrinsic cue was experienced through sensory perception via taste testing and, second, when the same intrinsic attribute was only described in a survey questionnaire. Sensory based data was then compared with data reflecting expectations. The ability to predict actual consumer preferences (post experience) from expected quality ratings obtained from a survey would provide national and international marketers alike with a practical means to establish the relative roles of extrinsic and intrinsic cues, without embarking upon the more costly and complicated large scale taste tests. This also facilitates further studies investigating local consumer behavior by validating a reliable, consistent and standardized survey based methodology. Therefore, the key research questions investigated in this research are:

1. What is the respective influence of the extrinsic cues of COO and price on product quality judgments when sensory evaluations are employed?

2. Is there a quantifiable difference in the influence of the extrinsic cues of COO and price on product quality judgments when sensory evaluations are not employed?

Using unwooded chardonnay wine as the test product, data for both stages of the study employed an identical full profile conjoint analysis fractional factorial plan based on a three (country) x three (price) x three (acid level) experimental design. To assess the ability of COO and price to influence assessment of experienced quality while ensuring that respondents were provided with the opportunity to experience all intrinsic cues, wine samples were consumed. To measure expectations of quality, when a specific and important intrinsic cue is only described, a paper based survey was also undertaken. Respondents in both phases of the research rated individual alternative product profiles where objective product quality was manipulated via altering acid levels, often in conflict with the COO and price cues provided. This allowed for the quantification of the respective influences of these cues, both intrinsic and extrinsic, thus revealing the relative importance of each to quality assessment.

In the sensory experiment (N=263), both price and COO were found to be more important contributors to perception of wine quality than taste. This reliance on extrinsic cues remained extremely robust even when all intrinsic cues were experienced, although the manipulation of objective product quality resulted in some wine samples of significantly diminished quality. Hence, consumer belief in the price/value schema dominates quality assessment even when the product is fully experienced. Importantly, these results were supported by the data collected in the second study (N = 274) which measured expectations of quality rather than actual experienced quality. For COO, average importance was 15.08% for the sensory study and 12.27% for the survey. For price, 71.81% in the experiment and 73.68% in the survey and for the intrinsic attribute of acid, 13.1% and 14.05% respectively. These results strengthen the argument that marketers cannot assume that intrinsic cues will be weighted and interpreted accurately by consumers, pre or post experience.

A number of limitations are evident in this study. First, convenience samples were used, limiting our ability to generalize results. However, respondents came from a wide variety of sources and we controlled for some demographic attributes, such as age and gender. Other limitations are inherent to the use of a laboratory environment and conjoint analysis methodology. Products and services are actually comprised of a combination of hundreds (perhaps thousands) of cues and only a small selection can be tested. However, scrutiny of the literature and careful evaluation of market characteristics were employed to minimize these limitations. Despite these, the research significantly advances our understanding of consumers’ use of extrinsic cues (price and COO specifically), and their respective influence on determination of both expected and experienced quality. The study also supports paper based conjoint analysis as a valid means of measuring consumer reactions to the tested wine attributes. Hence the use of the same instrument to gather data from a number of source markets is possible and direct comparisons of data can be undertaken, revealing global as opposed to localized preferences.

REFERENCES
Parity Product Features Can Enhance or Dilute Brand Evaluation: The Influence of Goal Orientation and Presentation Format
Prashant Malaviya, INSEAD, France
Brian Sternthal, Kellogg School, Northwestern University

EXTENDED ABSTRACT
Consider a recent comparative ad for Crest MultiCare toothpaste in which this brand is compared to Colgate Total on a variety of features. As might be expected, on some features Crest is described as superior (better taste, fresher feeling breath). On other features Colgate is depicted as performing better (helps reduce gingivitis), perhaps to enhance the credibility of Crest’s superiority claims. There are also a number of features possessed by both brands (helps fight cavities, helps brush away plaque). The inclusion of such parity features might be justified as a means of clarifying the target brand’s frame of reference, but it also raises a question about their impact on the judgment of the advertised brand.

Three predictions about the impact of parity features are plausible. The most intuitive one is that the presence or absence of features common to alternative brands would not influence brand preference. If brand A is preferred to brand B in the absence of parity features, including these features in the brand descriptions adds a constant and thus should preserve individuals’ initial preference. Testing this hypothesis has attracted little interest, perhaps because the prediction is a null effect.

An alternative prediction is that the inclusion of parity features enhances the preference for an initially preferred brand. In a study examining this prediction, participants were asked to choose between two brands, each represented by different values on the same two features (Chernev 1997). When they were told that one of the two features was more important than the other, the brand that dominated on the important feature was chosen more frequently. More interesting was the observation that this advantage increased significantly when participants were subsequently informed that both brands had additional attractive features in common. We refer to the more favorable evaluations that occur in the presence of parity features than in their absence as an enhancement effect.

There are also grounds for the premise that the inclusion of parity features can reduce liking for a dominant brand, which we refer to as a dilution effect. Demonstrations of the dilution effect have typically involved showing that the addition of nondiagnostic information reduces the belief that an object or person is associated with a particular outcome (Meyvis and Janiszewski 2002). For example, participants’ belief that engineers would tolerate more shock than music majors was significantly diminished when nondiagnostic information about the person’s age and hometown were included in the description (Nisbett, Zukier, and Lemley 1981). It is plausible that the dilution effect observed for nondiagnostic features might also occur in response to the presentation of parity features. These observations raise the question of when the addition of parity features would result in an enhancement of target evaluations and when they would stimulate a dilution effect.

Several theoretical accounts could offer predictions about when enhancement and dilution effects are likely to occur. We examine a meta-cognitive account of enhancement and dilution, that is, how the processing of a message itself, rather than the message content, might influence these outcomes. Recent theorizing suggests that the correspondence or fit between an individual’s self-regulatory goal and the means of goal pursuit results in a positive subjective experience that is transferred to the evaluation of the target object (Higgins et al. 2003a; Labroo and Lee 2006). In the absence of such correspondence nonfit occurs, which creates a negative subjective experience that is transferred to the judgment of the target. Based on these observations, our prediction is that the correspondence between a participant’s regulatory goal in processing a message and the means of goal pursuit embodied in how message information is presented will result in a subjective experience of fit that is manifested by enhancement, whereas nonfit between a regulatory goal and the presentation format prompts a dilution of the target evaluation. We refer to these predictions as the fit hypothesis.

The fit hypothesis implies that two factors are instrumental in determining the persuasive impact of a message that includes parity features: Individuals’ regulatory goal when processing a message and the means of goal pursuit that is facilitated by the message presentation. Regulatory focus goals of promotion and prevention orientation are frequently activated in consumption settings (Higgins 1997). When individuals adopt a regulatory focus goal, regulatory mode is a particularly salient means of goal pursuit (Kruglanski et al. 2000). Regulatory mode theory identifies two means of goal pursuit: locomotion and assessment. Locomotion is the aspect of self-regulation concerned with movement from place to place or state to state including the movement from a current state to a desired end. In contrast, an assessment mode of self-regulation involves a full comparison of alternatives with regard to goals, means, and outcomes as a basis for evaluation. In the context of a persuasive message that involves a comparison of choice alternatives, a locomotion mode of goal pursuit might be activated by the sequential presentation of information where the features possessed by a target and alternative brand, including parity features, are revealed over time. An assessment mode of goal pursuit might be facilitated by a message format that presents all the features possessed by a target and alternative brand simultaneously, because this format would encourage a full and thorough comparison of the brands.

The fit hypothesis predictions then are as follows. Promotion oriented people would experience fit when message presentation is sequential and hence, show an enhancement effect, but they would experience neither fit nor non-fit when information is presented simultaneously and would show a null effect. In contrast, prevention focused people would experience fit when the message is presented simultaneously and would show enhancement, but would experience non-fit when presentation is sequential and would show dilution.

In two studies, we test these hypotheses as an explanation for enhancement and dilution effects in the context of an advertising message that compares a target and alternative brand on discriminating and parity features. Several considerations guided the design of the studies. In order to highlight the presence of parity features, we developed a print ad that compared the features of a target and alternative brand side-by-side. This format made the diagnostic and parity features evident to participants: if a brand dominated the alternative on a feature, the feature was diagnostic, whereas if the brands exhibited the same performance on a feature it was a parity feature. The experimental conditions presented both diagnostic and parity features. The two brands were
compared on seven (study 1) or eight (study 2) features. On two features the target brand was superior to the alternative brand; on the rest of the features the brands were on parity in that both brands had the identical features.

In both studies, two variables were manipulated (regulatory focus and message presentation format). Participants were first primed a promotion or prevention regulatory focus (study 1: mouse maze task; study 2: word completion task). This was followed by the presentation of the comparative ad message either in a sequential format, where information about the two brand’s product features were presented over two pages (study 1) or three pages (study 2), or in a simultaneous format, where all the features of the two brands were presented on one page. After reading the comparative ad, participants completed the brand evaluation measure and a measure to assess their subjective feeling of fit. In study 2, in addition to these two variables, one additional variable was introduced. The two features unique to the target brand were either presented at the top of the list of product features, or these two features were presented at the end of the feature list. This manipulation was introduced to test a possible biased-hypothesis testing account of the enhancement and dilution effects.

In study 1, we found that participants with a promotion regulatory focus show an enhancement effect when message presentation is sequential and a null effect when the presentation of product information was simultaneous. In contrast, prevention focused participants show an enhancement effect when message information was presented simultaneously and a dilution effect when presentation was sequential. In study 2, these effects are replicated when the two features on which the target brand is superior were presented at the top of the feature list. A different outcome is observed when these dominating features were presented at the end of the feature list. Promotion focused participants show an enhancement effect for both sequential and simultaneous message presentation formats, presumably because the presentation of the dominant features at the end of the list also prompts locomotion means of goal pursuit. In contrast, prevention oriented participants show enhancement for simultaneous presentation, but a null effect for sequential presentation. These outcomes are consistent with the fit hypothesis.

Support for the fit hypothesis suggests that the inclusion of parity features in a message produces enhancement and dilution effects, and identifies when each of these effects is observed. These results are congruent with the view that fit induces enhancement via the transfer of a positive subjective experience to the evaluation of the target, and that nonprofit results in dilution through the transfer of a negative subjective experience to the target’s evaluation. Finally, support for the fit hypotheses provides guidelines to practitioners about the nature of message formats that are likely to be most persuasive to audiences with different self-regulatory goals.

REFERENCES


Attenuating Suspicion By Revealing Seller Self-interest: The Role of Categorical Versus Situational Association of Sinister Attribution

Subimal Chatterjee, SUNY at Binghamton, USA
Somali Ghosh, SUNY at Binghamton, USA

EXTENDED ABSTRACT
Consumers often get suspicious when salespeople attempt to persuade them to purchase a product (Friestad and Wright 1994). When suspicion arises, consumers try to infer multiple plausible explanations of the salesperson’s motives (Kramer 1998). Should consumers be unable to isolate the real reason, they, perhaps erring on the side of caution, are more likely to make a situational (sinister) attribution about the salesperson’s motive (e.g., the salesperson is just trying to meet a sales goal; Campbell and Kirmani 2000; Main, Dahl and Darke 2007).

Situational attributions can arise in two ways. First, consumers might think that a salesperson is trying to further her own self-interest because they view the category of salespeople negatively (we call this categorical association of sinister attribution). Second, consumers might make sinister attributions about the motives of the salesperson because of a poor experience in the past with the same salesperson, but in a different context; for example, the salesperson might have sold the consumer a poor quality karaoke machine at a garage sale. Consequently, consumers might substitute a new situation with an old, familiar situation (Mullainathan and Shleifer 2006), and make, what we dub, a situational association of sinister attribution.

In this paper, we conduct two studies to compare the intensity of suspicion arising out of categorical versus situational association of sinister attribution, and test the efficacy of a common method of attenuating suspicion, revealing the seller’s self-interest, on these two sources. We hypothesize that suspicion stemming from a categorical association of sinister attribution is likely to be less intense than suspicion stemming from a situational association, and that revealing the seller’s self-interest would reduce suspicion stemming from categorical association relative to situational association. The reason is that a situational association of sinister attribution not only involves past information (e.g., the salesperson had sold us a defective karaoke machine at a garage sale), but also past feelings as well (e.g., the disappointment and anger upon finding out that the karaoke machine was defective). Given that most situations elicit an automatic feeling of good or bad, a feeling that consumers use as information in subsequent decisions (e.g., the affect heuristic; Slovic, Finucane, Peters, and MacGregor 2002), how we felt in the past is likely to exacerbate our suspicion at the present (Malhotra 2005; Sengupta and Fitzsimons 2000).

Since categorical association of sinister attribution is less affect rich (e.g., the negative opinion of salespeople is based upon what others have said about salespeople and not the consumers’ own experiences), the resulting consumer suspicion should be less intense and more easily attenuated when the seller reveals her self-interest to the consumers.

Study 1 explored the intensity of suspicion arising from different personal/marketing situations, and the extent to which revelation of seller self-interest was able to reduce suspicion (relative to providing other types of message). Twenty-nine undergraduate students (19 females) participated in this study. Results revealed three main sources of suspicion: excessive persuasion (M = 7.65), followed by categorical association of sinister attribution (M = 6.90) and situational association of sinister attribution (M = 6.48). Among the three methods selected to reduce suspicion and increase purchase likelihood, providing an emotional message was most effective (M = 6.76), followed by the revelation of the seller’s self-interest (M = 5.45) and offering of a specious reason (M = 4.12).

Study 2 tested whether situational association of sinister attribution (that includes a transfer of affect from one context to another) generated greater suspicion relative to categorical association of sinister attribution, and to what extent revealing the seller’s self-interest was able to attenuate the suspicion stemming from these two sources. We primed categorical association of sinister attribution by asking participants to imagine that they were at a party where several people were telling stories about their negative experiences with car salespeople, and several weeks later, they found themselves at a car dealership trying to buy a used car. Similarly, we primed situational association of sinister attribution by asking participants to imagine that the person who had sold them an inferior quality karaoke machine at a garage sale was now trying to sell them a used car. Some participants then read a statement by the salesperson that revealed what the salesperson had to gain by selling a particular brand (Enchantre, an unknown brand), while other participants read a statement from the salesperson that offered an irrelevant reason. One hundred fifteen undergraduate students (88 males) participated in this study and were randomly assigned to one of the four between-subjects conditions of the 2 (association of sinister attribution; categorical, situational) by 2 (attenuation method; revelation of self-interest, specious reason) experiment.

Results showed that situational association of sinister attribution resulted in stronger suspicion of the salesperson relative to a categorical association of sinister attribution (M’s of 5.21 and 4.67; F(1, 113) = 7.01, p < .01) and lower desire to work with the salesperson in the future (M’s of 1.97 and 3.44; F(1, 113) = 52.48, p < .0001). Revealing the seller’s self-interest significantly reduced suspicion relative to giving a specious reason (M’s of 4.36 and 3.49), but the effect was moderated by the nature of association of the sinister attribution (Interaction F(1, 111) = 8.39, p < .01). Revealing self-interest significantly reduced suspicion relative to giving a specious reason, when the suspicion stemmed from categorical association of sinister attribution (M’s of 4.89 and 3.18; F(1, 111) = 40.28, p < .0001). However, revealing self-interest did just as poorly as giving a specious reason when the suspicion stemmed from a situational association of sinister attribution (M’s of 3.86 and 3.77; F(1, 111) < 1).

Our results show that the suspicion arising from categorical association of sinister attribution is significantly less intense than suspicion arising from a situational association of sinister attribution. More interestingly, revealing the seller’s self-interest reduces suspicion more when the suspicion stems from categorical association, but not from a situational association of sinister attribution. These results are important given that attenuating suspicion, especially unjustified suspicion, is critical from a marketing strategy as well as a consumer welfare perspective. From the consumer’s perspective, unjustified suspicion entails the unnecessary cognitive load of entertaining multiple hypotheses as to why consumers should be suspicious in the first place (Kramer 1998). Attenuation of suspicion frees up cognitive resources allowing for a more optimal purchase decision. Similarly, for marketing managers, given that consumers are often quite
suspicious in marketing situations (e.g., Darke and Ritchie 2007), identifying the source of consumer suspicion is critical to the development of effective sales pitches that reduce consumer skepticism and make consumers more accepting of marketing communications.

REFERENCE


Consumer Reprieve
Suraj Commuri, University at Albany, State University of New York
Sanjay Putrevu, University at Albany, State University of New York

EXTENDED ABSTRACT
It is generally understood that (customer) satisfaction is a good predictor of (customer) retention and, thereby, a firm’s performance (Anderson, Fornell, and Lehmann 1992). Inversely, when a firm commits a consumer-facing infraction, consumers would be dissatisfied and eventually defect. Such tendency to defect is somewhat attenuated when switching costs are high. Yet, even when the mandatory switching costs of defection are low not all customers defect when a firm commits an infraction. In other words, there is a medium between satisfaction-led-retention and infraction-led-defection, where consumers continue to transact with a firm even after realizing that the firm has committed an infraction in its relationship with the consumer. This paper empirically examines this space and proposes that consumer reprieve is an important construct that adds value to extant literature on commitment and loyalty because it serves as a bridge between loyalty and defection.

The relationship paradigm in marketing has received attention in the contexts of: (a) inter-firm relationships; (b) relationships between customers and service providers; and (c) consumers’ relationships with products and brands. Researchers studying marketing channels have examined relationship formation (Heide 1994), types of relational exchanges (Dwyer, Schurr and Oh 1987; Cannon and Perreault 1999; Haytko 2004), stages in relationship development (Dwyer et al. 1987; Wilson 1995), and mechanisms and outcomes of relationships (Anderson and Weitz 1989; Jaworski 1988; Morgan and Hunt 1994; Weitz and Jap 1995). In the case of service relationships, research attention has been devoted largely to the issues of service quality in a relationship, reasons for switching, and trust in and commitment to these relationships. The interest in relationships between consumers and the brands they patronize is of more recent origin (c.f. Fournier 1998). As an extension of the research on consumer-brand relationships, this study examines how consumers respond when a firm or brand commits an infraction.

Thirty-four in-depth interviews were conducted with men and women aged between 19 and 55. The two authors and a graduate assistant coded transcripts independently and any remaining differences were resolved through discussion. The data suggest that consumer expectations generally were that the transaction would follow a predetermined and well-understood script, thus resulting in a routine experience. However, when a transaction defies the script in a consumer’s mind and turns remarkable, it gravitates toward being a negative or positive experience. Specifically, the four-fold foundation of a consumer’s expectation about a transaction was made-up of the following assumptions: (a) firms will care about profits; (b) policies will be aimed at being considerate toward customers; (c) employees will be friendly with customers; and (d) I know the steps involved in this transaction. When a firm violates one or more of these assumptions, then the customer is likely to classify the resultant experience as positive or negative.

The most salient and widely discussed deviation from expectation, resulting in a positive experience, was firm’s conduct that could not be easily accounted for by the profit motive. A second deviation from expectation resulting in a positive experience was when a transaction or product-usage turns out to be easier and/or more pleasant than what the consumer expected on the basis of prior knowledge. Unlike in the case of positive experiences, negative experiences had to be repetitive for consumers to deem them as such. The only exception was employee rudeness – which was also the most salient negative deviation from expectations in the data – where consumers appeared least inclined to subsequently engage with the firm. Among the other deviations from expectations, which had to recur for them to be deemed as negative experiences, ruthless resort to fine print appeared to rise above the rest. Other infractions leading to negative experiences, but not as impulsively imperiling, were sporadic product/service failure, out of stock merchandise, and longer than anticipated transaction times.

Negative experiences did not always result in spontaneous defection. In many cases consumers were willing to attempt resolution, thus fostering a gap between an infraction and consequent defection. The span of this gap and whether consumers eventually defect appear to be determined by what we refer to as consumer reprieve. We define consumer reprieve as the tendency of a consumer to resist defection and attempt resolution after a firm commits a consumer-facing infraction. Among the strategies that could engender consumer reprieve were: (a) accepting responsibility – owning up that an infraction has been committed; (b) spontaneous response when an infraction is reported — whether owning up or not, ensuring that a report of infraction is acknowledged and taken note of by a firm’s representative; (c) making amends – whether proportionate or not, offering to make amends to the customer; (d) assigning new personnel – offering customers a chance interact with personnel not associated with the previous transaction where the infraction was committed; (e) identifying and expressing concern about the implications of the infraction to the consumer; and (f) nurturing and invoking brand loyalty – indulging the customer with trappings that come out of long association.

Finally, there was also space where the firm did not have any say in engendering consumer reprieve. Herein lay the various consumer-level variables that separated the consumers more inclined to grant reprieve from those less inclined to do so. It appeared that consumers with higher education, higher incomes, affluent lifestyles, but spending comparatively smaller proportion of their disposable incomes on a firm’s products or services were less likely to grant reprieve. On the contrary, consumers not as highly educated, with lesser income, but spending a higher proportion of their disposable incomes on the firm’s products appeared to be more likely to grant reprieve. The basis for such distinctions appeared to lie in two considerations – involvement and switching costs. Consumers spending only a small portion of their disposable incomes on a firm – possibly because of the limited risk involved – were less involved with the firm’s products and made decisions on the basis of limited information. Such consumers were less likely to have made emotional and time investments in the firm or its brands, making it easier for them to switch. Contrariwise, consumers spending a higher proportion of their disposable incomes on a firm’s products or services were more likely to pay sedulous attention to the firm and its products. Such consumers were more likely to have made significant emotional and time investment in the brand and this appeared to induce them to overlook one or a few bad transactions. Consequently, their assessment of a firm’s infraction was more inclusive and conscientious, thereby halting them from hurriedly switching to a competitor.
REFERENCES


Role of Store Image in Consumer Impulse Buying Behavior
Geetha. M, Indian Institute of Technology Madras, India
Bharadhwaj Sivakumaran, Indian Institute of Technology Madras, India
Piyush Sharma, Hong Kong Polytechnic University, Hong Kong

ABSTRACT
We posit that store image drives impulse buying through positive affect, negative affect and urge to buy impulsively. We hypothesize that shopping enjoyment would drive impulse buying through positive affect, while impulse buying tendency would drive impulse buying through urge and self-regulation would drive impulse buying through negative affect. A mall survey conducted to test our structural model established strong support for our model, finding that store image drives impulse buying. Retailers may therefore focus on enhancing store image. Theoretically we integrate the store image literature with impulse buying and also methodologically we incorporate the Schmid-Leiman factor structure in our model.

EXTENDED ABSTRACT
India is in the midst of a major retailing boom as this sector is growing at 25-30% per year (A.T.Kearney, 2007). Some retailers are going overboard in enhancing store image while some others are focused on offering low prices. Does it make sense at all to spend money on beefing up store image in price-conscious India? In this context, we study the effect of store image on impulse buying behavior. Prior research (Bellenger at al. 1978) has studied the effect of display on impulse buying. However, we aim to significantly extend this by incorporating store image along with personality variables to explain the impulse buying phenomenon in a holistic manner. Similarly, while several antecedents to impulse buying have been found, no one has looked at the effect of store image.

Drawing on prior research, we posit that store image drives impulse buying through positive affect, negative affect and urge to buy impulsively. We also hypothesize that shopping enjoyment would drive impulse buying through positive affect, while impulse buying tendency would drive impulse buying through urge and self-regulation would drive impulse buying through negative affect. We build a comprehensive model of impulse buying through the above hypotheses.

We tested our model using a structured questionnaire with mostly established scales modified slightly on 733 respondents to a mall survey in the city of Chennai, India. Store image was measured through its layout, music, employee friendliness and lighting. We obtained a response rate of around fifty percentage and also obtained good reliabilities for all our constructs. We tested the model using structural equation modeling with EQS 6.1 and obtained an excellent fit for our model ($\chi^2 = 664.960; p = 0.0; GFI = .940; AGFI = .921; CFI = .951; NNNFI = .940; RMR = .040; and, RMSEA = .035$). We found strong support for our model, with nine of our eleven hypotheses being supported.

From a theoretical viewpoint, we show that impulse buying is driven by the image of the store in which the shoppers shops at. We offer a holistic, comprehensive model of impulse buying that includes not just personality variables like impulse buying tendency but also store image. Thus, we add to the list of antecedents of impulse buying, namely, we show that store image drives impulse buying. Likewise, we also add to the store image literature by showing that store image has an impact on impulse buying. Thus, our work neatly ties in the store image literature with that of impulse buying.

From a managerial viewpoint, our work has significant contributions to make. Our work also suggests that impulse buying can be caused by something more fundamental than just displays. It is also well-known that impulse buying is hugely profitable for retailers (Mogelonsky, 1998); besides impulse buying accounts for billions of dollars in sales annually. Therefore, retail managers would do well to invest in the antecedents of store image, like training store personnel, improving the layout, making the lighting attractive and by having appropriate music. In India, at least, anecdotal evidence suggests that there is a tendency on the part of even big retailers to skimp on these antecedents; for instance, the layout is often cramped and the air-conditioning is switched off from time to time. Our research shows that it would be unwise to cut costs on these heads, as impulse buying would be curtailed. Global players like Carrefour and Wal-Mart, who want to enter India in a big way once laws are relaxed, can also take note of our findings and design appropriate strategies i.e. beef up store image by focusing on its antecedents.

From a methodological angle as well, we have significant contributions. Not only do we do a rare mall study in India, we incorporate the Schmid-Leiman residualized factor structure in our structural model. To the best of our knowledge, this is extremely rare (if at all it has been done), in the mainstream marketing and consumer research literature. In the psychology literature, there are stray instances of the Schmid-Leiman factor structure being used (Oleksandr et al, 2001); however, in the Marketing literature, there is hardly any research that uses this. Hence, we believe we make a valuable contribution here. In sum, we make significant contributions, along three dimensions, theoretical, managerial and methodological.

Future research may also look at conducting a simulated store experiment to test our hypotheses. Also, our model may be tested in Western countries as well. Additional antecedents like type of store (high-street store vs. mall store) may also be considered. Finally, recent research is trying to integrate impulse buying and variety seeking behavior (Sharma, Sivakumaran and Marshall, 2005). If indeed the two are similar, can store image drive variety seeking as well? Future research can address these and similar issues.

REFERENCES:
Exploring Impulse Buying in Services vs. Products – Towards a Common Conceptual Framework

Piyush Sharma, Hong Kong Polytechnic University, Hong Kong
Bharadhwaj Sivakumaran, Indian Institute of Technology Madras, India
Roger Marshall, Auckland University of Technology, New Zealand

INTRODUCTION
Impulse buying has been studied extensively but mostly in the products context, despite the prevalence of services in modern consumers’ lives. We address this gap with a conceptual framework incorporating several relevant constructs such as consumer impulsiveness (CI), optimum stimulation level (OSL), and self-monitoring (SM), based on which we develop several hypotheses for some differences between impulse buying in services vs. products. We tested these hypotheses using an empirical study with 200 undergraduate students.

CONCEPTUAL FRAMEWORK
Impulse buying is an important phenomenon but it has been investigated mostly in the context of product purchases and it is shown that most consumers buy impulsively at one time or another (Kacen and Lee 2002; Rook and Fisher 1995). On the other hand, services are shown to be associated with higher perceived risk and variability, which may suggest a lower probability of impulse buying in services compared to products (Murray and Schlater 1990). Services have also been associated with smaller choice sets and hence less likely to see exploratory behavior such as brand switching compared to goods (Brand and Cronin 1997). Consumers also have more post-purchase than pre-purchase evaluation, smaller evoked set and less brand switching for services compared to products (Friedman and Smith 1993).

In this research, we modified a conceptual framework used in prior research to study impulse buying in the products context, to use it for both products and services (Sharma et al. 2005). Based on this, we hypothesize that consumer impulsiveness is more strongly associated with level of impulsiveness in purchase decisions for products compared to services, whereas optimum stimulation level and self-monitoring are more strongly associated with level of impulsiveness in purchase decisions for services compared to products. Finally, we also hypothesize that the association of consumer impulsiveness and optimum stimulation level with impulse buying is stronger for low versus high self-monitors, for both products and services.

METHODOLOGY
We used a between-subjects experimental design with a convenience sample of 200 undergraduate business students in exchange for 5% course credit. Each participant read an imaginary scenario involving a product (t-shirt) or a service (foot massage) and responded to questions about their behavioral intentions. We measured their traits including consumer impulsiveness, OSL and self-monitoring as the independent variables using well-established reliable scales for each of these. Finally, we measured the level of impulsiveness in the participants’ behavioral intentions as the dependent variable.

DATA ANALYSIS AND RESULTS
We used moderated multiple regression analysis to test our hypotheses. The regression coefficients for the product and service context were compared using the Chow test for the significance of difference (Chow 1960). All our hypotheses were supported. Specifically, we found that consumer impulsiveness is more strongly associated with level of impulsiveness in purchase decisions for products vs. services. On the other hand, OSL and self-monitoring are more strongly associated with level of impulsiveness in purchase decisions for services vs. products. We also found that the association of CI and OSL with impulse buying is stronger for low versus high self-monitors, for both products and services.

DISCUSSION
Our findings have several significant implications. First, our study is one of the few efforts to empirically investigate impulse buying in the services context. Second, we used a conceptual framework developed and tested in the products context to explore impulse buying in both products and services context. Using a common conceptual framework helped us to identify several important similarities and differences between impulse buying in products vs. services. We hope this research will pave the way for a more comprehensive conceptual framework for impulse buying in general, encompassing both products and services.

LIMITATIONS AND FUTURE RESEARCH
Our research makes several important conceptual and empirical contributions. However, there are also some weaknesses in this research such as its reliance on student participants and purchase scenarios. Future researchers may address this by using other methods such as shopping simulations, to explore if the findings of this study can be generalized across different situations using participants with different profiles e.g., retail shoppers etc. Moreover, prior research has investigated the influence of several situational factors such as time and money availability, in-store browsing, mood and involvement level (Beatty and Ferrell 1998). Future research could explore if there are any differences in their influence in the services context.

Finally, future research could build a more comprehensive theoretical model for impulse buying in general, which can conceptually incorporate the relevant demographic (age, gender, education level, occupation and socio-economic category), psychographic (life-style, consumer impulsiveness, need for variety and self-monitoring) and situational factors (time and money availability, in-store browsing, shopping enjoyment, mood, involvement level) that may have a direct or indirect influence on impulse buying in both, products and services contexts.

REFERENCES


Asymmetric Associations and Affective Evaluations: Influences of Positive and Negative Affect
Bruce E. Pfeiffer, University of New Hampshire
Christine M. Page, Skidmore College
Paul M. Herr, University of Colorado, Boulder

ABSTRACT
In two experiments, we investigate mood as it relates to the structural asymmetry between positive and negative affective judgments reported by Herr and Page (2004). Mood was found to influence, but not form the sole basis of the asymmetry. The manner of mood's influence was demonstrated to be consistent with a view of mood effects that posit positive affect-induced processing efficiency. Specifically, our findings suggest that positive moods result in more efficient processing of positive and negative affective queries, attenuating (if not eliminating) the asymmetry, while negative moods appear to exacerbate the asymmetry, making all judgments more effortful.
Choosing Healthy Foods: The Consumer Behaviors that Lead to Healthy Selections when Eating Food Away From Home
Rebecca Hochradel, Delta State University
Mahesh Gopinath, College of Business and Public Administration, Old Dominion University

EXTENDED ABSTRACT

Marketers have long been interested in predicting consumer behavior. Research indicates that behavior intention leads to the actual behavior (e.g., Fishbein & Azjen, 1975 and Azjen, 1991). According to these authors, the attitude is formed by the consumer’s beliefs and values that a particular behavior will produce certain outcomes and these attitude lead to behavior. Attitudes are utilized to guide behavior in response to a stimulus (Cohen & Reed, 2006) and are formed through learning (Bagozzi, Dholakia, and Basuroy, 2003). This learning creates an automatic response in the presence of the particular decision making opportunity.

As the number of Americans diagnosed with heart disease, diabetes, and excessive weight continues to increase, providing information to allow consumers to choose healthier foods becomes imperative. The number of consumers eating food away from home is rising. Although nutrition information is required on food products purchased for home use, it is not required when eating food away from home. How can a consumer know what is healthy if nutrition information is not provided? Policy makers and restaurateurs are in conflict regarding the provision of nutrition information on the menu. Policy makers want this information to be provided while restaurateurs say providing this information is too costly and consumers do not request it. Although consumers may not request nutrition information, this research seeks to determine whether or not consumers would use nutrition information to make a healthier menu selection when eating food away from home.

To date, no research has been conducted offering nutrition information at the time of ordering the meal to determine the effect this nutrition information has on menu selection. This research contributes to the literature by experimentally manipulating nutrition information availability, the occasion for eating food away from home, the dining companion, and the healthiness of the dining companion’s meal during the menu selection process and then investigating the healthiness of the consumer’s menu selection. This research also investigates the effects of differences in consumer characteristics, specifically perceived nutrition knowledge, health consciousness, and engagement in health prevention measures, have on the selection of healthy menu items. Results are analyzed using multivariate analysis techniques.

This research develops and utilizes a healthiness quotient in order to assess the healthiness of each menu item. Previous research uses calories as the basis of comparison. However, calories alone cannot determine the healthiness of a menu item. The healthiness quotient developed in this research considers calories, fat, saturated fat, carbohydrates, protein, sodium, and fiber values of the food to determine the overall healthiness of the menu item.

A preliminary study was conducted to determine the factors that impact consumers regarding menu selection when eating food away from home. The results of the preliminary study indicated that consumers select meals based on taste, the occasion for eating out, their dining companion, and their dining companion’s order. Nutritional value of the food was cited by 12% of the respondents and 33% of the respondents stated they would use nutrition information, if it were available, in selecting the menu items.

Menu development consisted of selecting menu items several national chain, casual dining restaurants. Each restaurant was consulted regarding the popularity of the items on its menu with the more popular items selected for inclusion on the menu. Similar to the menu offered by the various casual dining restaurants, the menu was developed with the name of the menu item and a description of the item. The menu offered three salads, four sandwiches and 10 entrées. Variations for menu items were offered, such as a salad with grilled chicken, fried chicken, or no chicken. The menu item, with any side dishes, was analyzed in entirety.

A total of 71, 277, and 185 consumers were surveyed in Study 1, Study 2 and Study 3, respectively. A convenience sample, issued via electronic format, was used by all three studies. Study 1 used personal e-mail addresses of faculty and students, while Study 2 and Study 3 used consumers selected by a consumer research firm. Results indicate that consumers with high levels of perceived nutrition knowledge, health consciousness, and engagement in health prevention measures not only select healthier menu items when eating food away from home, but use the available nutrition information to select even healthier menu items when eating food away from home. Results also indicate that general nutrition information, when available, was used by consumers who perceive themselves of having lower levels of nutrition knowledge lower levels of health consciousness, and lower levels of engagement in health prevention measures to select healthier menu items.

The results of this research indicate that although consumers do not ask for nutrition information when eating food away from home, they will utilize this information when selecting menu items.

REFERENCES

Burton, Scot, Elizabeth Creyer, Jeremy Kees, and Kyle Huggins
Understanding and Facilitating the Usage of Nutritional Labels by Low-Literate Consumers
Madhu Viswanathan, University of Illinois
Manoj Hastak, American University
Roland Gau, University of Illinois

EXTENDED ABSTRACT

Most research on nutrition labeling has been conducted with literate adults. Research examining the effects of literacy on usage of nutritional panels is practically non-existent. However, estimates of functional literacy range from a fifth of the population or higher. This paper is the first attempt we know of to examine how low-literate consumers use nutritional labels on packages.

Past research shows that “summary” information facilitates the processing of detailed nutritional information on food labels. For example, several studies have shown that provision of average information (i.e., average values for key nutrients for the product category) and range information (i.e., the range of values for key nutrients for the product category) leads to better assessments of the nutritional quality of brands (Viswanathan 1994; Barone et al. 1996; Viswanathan and Hastak 2002). However, these studies have been conducted with literate consumers. It is unclear whether the beneficial effects of providing summary information uncovered in past research will hold for low-literate consumers as well.

Literacy has been defined as “the ability to exhibit all of the behaviors a person needs in order to respond properly to all possible reading tasks” (Bormuth 1975). Functional literacy refers to competencies required to function adequately as adults (Kirsch, Irwin, and Guthrie 1997), and links the notions of literacy and numeracy to day-to-day functioning. The question of how low-literate consumers manage shopping environments has not received much attention (Wallendorf 2001). Recent studies have begun to examine the role of low literacy in consumer behavior (Adkins and O’zanne 2005; Viswanathan, Rosa, and Harris 2005). This research suggests that low-literate consumers exhibit cognitive predilections and decision making styles that may require distinctly different approaches to facilitating the use of nutrition information than those discussed earlier, such as the use of %DVs and averages. Difficulties with numerical symbols and a predilection for pictographic thinking suggest the use of pictorial presentations of nutrient values or amounts may be easier for low-literate consumers to use.

Based on our review of past research, we designed an experiment to specifically test the efficacy of graphical presentation formats for low-literate consumers. Four presentation formats were tested. Two of these labels were the “average” and “%DV” formats that have been examined in past research (Viswanathan and Hastak 2002). In light of past research as well as the insights we gleaned from our own qualitative interviews, we expected that these formats might prove to be too abstract for low-literate consumers to interpret and use. In contrast, concrete, pictorial representations of nutrient values may be more effective for low-literate consumers. Therefore, two additional graphical formats for presenting summary information were created - the graphical range format and the graphical rating format.

We expected respondents with higher levels of literacy to make better judgments of healthfulness based on the nutrition facts panel relative to respondents with lower levels of literacy, regardless of presentation format of the nutrition information. Furthermore, we expected that consumer literacy level would interact with presentation format in influencing comprehension of nutrition information for respondents with lower levels of literacy, summary information presented in graphical formats (i.e., the graphical range format and the graphical rating format) was expected to be more effective than was summary information presented in non-graphical formats (i.e., the %DV format and the average format) in communicating product healthiness. On the other hand, for respondents with higher levels of literacy, all four of the formats were expected to be equally effective.

A total of 214 respondents with varying levels of literacy were randomly assigned to each of four format conditions. The design was a 4 (label format) by 3 (literacy level) between subjects design. Respondents were sequentially exposed to and then rated three different brands of potato chips (healthful, neutral, and unhealthful) on overall healthfulness as well on specific nutrients (fat, calories, etc).

The data were analyzed via a 3 (literacy level) by 4 (format) MANOVA, followed by specific ANOVA, and finally a series of a priori (planned) contrasts. Overall, the results were consistent with our predictions. First, literacy level had a significant effect on the ability of consumers to process and understand the nutrition facts panel. Regardless of format, the facts panel was better understood by consumers at higher levels of literacy. Second, consumers with lower levels of literacy appeared to benefit from graphical presentations more than did respondents with higher levels of literacy. Finally, the benefits of graphical presentation formats appeared to accrue to consumers with educational attainment through 0-12 grade levels. Nevertheless, we did find some evidence to suggest that low literacy consumers (0-4 grade attainment) differed from moderate literacy consumers (5-12 grade equivalent) in this regard.

In conclusion, our findings suggest improved use of nutritional information for new, graphical formats. Importantly, summary information, (e.g., average) which has been shown to benefit literate consumers, was not useful for low-literate consumers. Our findings provide insights into the overall effects of literacy as well as levels of literacy where graphic presentations may have advantages. A wide range of literacy levels from 0-12 appears to benefit from such presentations that are in graphical form.

The paper concludes with a discussion of the theoretical and practical implications of our findings, limitations, and areas for future research.

REFERENCES

Chambers, Delores H., Mary Meck Higgins, Christine Roeger, and Ann-Marie A. Allison (2005), “Nutrition Education Displays for Young Adults and Older Adults,” *Health Education*, 104 (1), 45-54.


Enticing the Effects of Consumer Values on Actual Choices of Food Products by Applying the Value Activation Theory: Chasing Ghosts?
Rami Paasovaara, University of Vaasa, Finland
Harri T. Luomala, University of Vaasa/EPANET, Finland

ABSTRACT
The role of activated values in consumers’ choice of actual
food products was investigated. The central values of hedonic
and traditional consumers were first activated. Then, in a simulated
grocery shopping task consumers selected their favorite food
products in four product categories and evaluated each product’s
image attributes. The results revealed that even after successful
value activation only one product out of eight was chosen
differently by the two consumer groups. Still, attitudes towards
the products differed between groups indicating that consumers’
attitudes do not always translate into value-congruent behaviors.

1. INTRODUCTION
Consumer’s food choice can be described as a complex
process consisting of a number of influences concerning the
individual and the environment (eg. Furst, Connors, Bisogni,
Sobal, and Falk 1996). Demographics such as income (e.g. Bowman 2007), age and gender (e.g. Wadolowska, Babicz-
Zielinska, and Czarnocinska 2008), and psychographics such as
personality traits (e.g. Chen 2007), values (e.g. Kiliberg and
Risvik 2007) and motivations (e.g. Honkanen, Verplanken, and
Olsen 2006) are among prominent individual factors that have
been shown to have impact on food consumption behaviors.
Likewise, situational context and social interaction (e.g. King,
Weber, Meiselman, and Lv 2004) as well as sensory attributes of
food (e.g. Mustonen, Hissa, Huotilainen, Miettinen, and Tuorila
2007) and product information (e.g. Kozup, Creyer, and Burton
2003) are some of the salient environment-related factors in
determining consumers’ food choices.

Recently, there has been much discussion regarding the
health, safety and ethical aspects of food marketing and
consumption (e.g. Vandendriessche 2008; Clarke, Cloke, Barnett,
and Malpass 2008). For example, despite increased health
consciousness people are becoming more and more obese and
physically less and less fit. Some food consumers are genuinely
afraid of being hurt by nature if the genetic manipulation of food
becomes more common (Luomala, Paasovaara, and Lehtola,
2006). Food scares caused by listeria, foot and mouth disease,
avian influenza and animal welfare trouble many consumers’
minds. Since specific values that are related to these issues have
become relatively more important to several consumers, some food
consumption trends have emerged. To illustrate, large supermarket
chains in the UK (Sainsbury’s, Tesco, and Waitrose) have
announced 20% annual growth of organic food (associated with
“safety”) sales (Guardian 2006), and Datamonitor expects the UK
market for fair-trade goods (associated with “ethics”) to double
in five years (2007-2012) from a value of GBP 395 million to
over GBP 800 million (Food Business Review 2008).

Despite the values that are currently under timely topics in
food consumption debates, consumer research still suffer from a
lack of studies that examine the relationship between values and
actual food-related behaviors. More specifically, past research has
provided unsatisfactory and contradictory results of how values
explain food choices. For instance, Finch (2005) found a positive
link between economic and social values and organic food buying
behavior, whereas in the study of Le Page, Cox, Russell, and
Leppard (2005) values explained consumers’ meat product choices
only to a marginal extent. Furthermore, Köster (2003) has noticed
that only 32 % of the studies that claimed to analyze the effects of
attitudes and values on food choice dealt with actual choice
behaviors and only eight percent showed a positive effect of an
attitude (or a value) on food choice behavior. Thus, there exists
only a limited number of studies that have confirmed the positive
relationship between consumers’ values and their actual food
choice behaviors (these studies will be reviewed later).

In previous food choice research, a number of other aspects
are often neglected as well. Firstly, actual food choice behavior
tends to differ from intended behavior. To illustrate, the study of
Rimal, McWatters, Hashim, and Fletcher (2004) revealed that only
21,7 % of the participants bought irradiated beef although 60 %
of them reported their intention to buy it. Consequently, more
reliable results will be gained, if choices are made in a real purchase
context and not only on paper by reporting the likelihood of
buying. Secondly, food choices may not reflect real purchase
behavior if available alternatives are not actual products. Shiv
and Fedorikhin (1999) showed that the real presentation of a
chocolate cake was clearly preferred by participants to the symbolic
presentation (photographs) when processing resources were
limited. Thirdly, so that the effects of values on behavior could be
observed, consumers’ relevant values need to be “switched on”
in a food choice situation. Namely, the theory of value activation
suggests that values will guide behavior only when values are
cognitively activated and central to the consumer (Verplanken and
Holland 2002).

By taking into account the aforementioned issues pertaining
to past food choice research, we wish to contribute to the debate
concerning the relationship between consumer values and food
choice behaviors by amending some of the shortcomings of past
food choice study designs and by applying the value activation
theory in the context of food choice behaviors. Thus, the focal
research question of this study is: how do consumers’ central
values, when activated, influence actual food choices of real food
products across four product categories. The following logic is
pursued to answer this research question. First, a brief review of
prior studies investigating the relationship between consumer
values and food choices is conducted. Next, the principles of the
value activation theory are introduced. Thirdly, the sample, data
and methods are presented. Fourthly, the effects of
activated consumer values on real food choices are empirically
explored. Finally, the paper concludes by discussing the theoretical
implications and limitations of the study.

2. THEORETICAL BACKGROUND
2.1. The relationship between consumer values and actual food
choice behaviors
Consumer values can be defined as desirable goals and
guiding principles in people’s lives. More specifically, values are
concepts or beliefs that guide selection or evaluation of behaviors
and events, and are ordered by relative importance (Schwartz
1992). Consumer research and marketing have been interested in
understanding the role of values as a driving force to explain
consumer behaviors such as product purchasing. Consequently,
several value theories (e.g. Kahle 1986; Reynolds and Gutman

202 Advances in Consumer Research
(Volume VIII), © 2009
have been applied in consumer research, including the value theory of Schwartz (1992). Schwartz identified 56 universal values that formed a circumplex model of 10 motivational value types. These value types of universalism, benevolence, tradition, conformity, security, power, achievement, hedonism, stimulation and self-direction can be used in segmenting consumers. For instance, hedonism and tradition are opposite value types, and therefore people, for whom hedonic or traditional issues are of specific importance in their lives, can theoretically form two separate groups of consumers with different behavioral manifestations. In the study of Feather, Norman and Worsley (1998) this classification revealed that the choice of Christmas trip scenario, including mysterious and exciting elements and different foods (in opposition to the traditional Christmas dinner with the family), correlated positively with the value “hedonism” and negatively with the value “tradition”.

The mediating/moderating roles of attitudes, motivations or behavioral intentions are often examined to understand the relationship between values and food-related behaviors (e.g. Dreezens, Martijn, Tenbult, Kok, and de Vries 2005; Honkanen, Verplanken, and Olsen 2006). To illustrate, Dreezens et al. (2005) reported that consumers for whom the value “power” (expresses dominance and submission) was relatively important had more positive attitudes toward genetically modified food and more negative attitudes toward organically grown food, whereas consumers for whom the value “universalism” (expresses welfare for all people and protection of nature) was relatively important had positive attitudes toward organically grown food. Steptoe, Pollard, and Wardle (1995), in turn, proposed that value-related motivations (health, mood, convenience, sensory appeal, natural content, price, weight control, familiarity and ethical concern) are important factors in explaining food choice. As an example of the role of those motivations, health (and attitudes towards healthy eating) was related to measured dietary and lifestyle behavior in the study of Hearty, McCarthy, Kearney, and Gibney (2007). In addition, Honkanen et al. (2006) found that ecological motives had a strong impact on attitudes: the more concerned consumers were with the environmental and the animal right issues, the more positive attitudes they had towards organic food and the more intensive intentions they formed to consume such food.

Although knowledge about consumers' values, attitudes and intentions may help to predict consumer behavior as regards to food choice, it is the actual behavior that counts. Even so, only a limited number of studies have investigated the effects of values on actual food choice behaviors. Next, five such studies are briefly introduced. To start with, Goldsmith, Freiden, and Henderson (1997) found that among 323 US women shoppers six values (self-respect, warm relationships, accomplishment, security, self-fulfillment and belonging) were negatively correlated with purchase frequency of convenience food (take-home and microwave meals). This indicates that such social values are not likely to drive the consumption of ready-made foods. Secondly, Tililikainen (1999) identified values that guide food choices among 2200 Finnish consumers. He concluded that serious, collectivistic and conservative values (welfare of family and surroundings), rather than joyful and hedonistic values such as pleasure, were mainly driving food choice behavior regarding meat and dairy products consumption.

The other three studies examine the effects of universalistic values on nature-friendly food consumption behavior. Firstly, the study of de Boer, Hoogland, and Boersema (2007) revealed that in a sample of 1530 Dutch consumers universalism was related to low meat consumption and animal-friendly behavior (self-reported), and was mediated by animal-friendly attitudes, prevention-oriented food choice motivations and high involvement. Secondly, Grunert, and Juhl (1995) demonstrated in their study that among 174 Danish teachers the persons with green attitudes (relevant values: universalism, self-direction and benevolence) reported to buy more frequently organic foods (occasional or regular buyers = 75%) than persons with non-green attitudes (relevant values: power, security and conformity; occasional or regular buyers = 40%). Thirdly, Kihlberg and Risvik (2007) showed in a study of 184 Swedish consumers that unity with nature (universalism), world of beauty (universalism), curious and spiritual life were values that were important in regular organic products consumption. In turn, wealth (power), authority (power), honoring of parents and elders, clean, ambitious and respect for tradition were values associated with the lowest frequency of organic products consumption.

On the basis of aforementioned studies, consumers for whom the value of universalism is important are likely to more frequently consume ecological (e.g. organic, ethical) foods than consumers for whom value of power (opposite value type to universalism in the Schwartz’s value structure) is important. Consequently, there exist some empirical evidence from surveys relying on self-reported food choice behaviors that values guide food choices, even though the influence of values is generally believed to be larger in the case of higher product-involvement levels (e.g. clothing) (Goldsmith, Freiden, and Kilsheimer 1993). To conclude, experimental studies are needed - instead of surveys and self-reported buying behavior - to more fully understand the role of values in a real food choice situation.

2.2. The theory of value activation

In psychology, studies that examine the value-behavior – relation usually pay attention to situational influences as well (e.g. Smeesters, Warlop, Van Avermaet, Corneille, and Yzerbyt 2003; Feather 1995). One such situational factor is priming, which refers to activating effects of certain stimulation on associations in memory just before carrying out an action or task (Kolb and Whishaw 2003). The value activation occurs as a form of priming. In other words, consumer values are primed (activated) by a value-congruent stimulus. In order to generate activation, values need to be the primary focus of attention and implied by the situation or by the information a person faces. Values have the capacity of driving behavior if they are central to the self, that is, when values are part of a person’s self-concept and contribute to one’s sense of identity (Verplanken and Holland 2002).

Verplanken and Holland (2002) conducted a series of studies to analyze value-congruent behaviors. In a number of the studies they manipulated (activated) participants by priming (information-processing tasks) their central values. For instance, in the second study (2x2 mixed design, in which value prime: present vs. absent, and value centrality: central vs. not central) participants (99 students) first responded to the 56-item Schwartz Value Survey (Schwartz 1992) in order to measure the centrality of environmental values (i.e. how important the values “unity with nature” and “protecting the environment” were for them). Secondly, participants were manipulated by value activation that occurred in the form of a sentence correcting test including words either related or unrelated to the environment, depending on the condition (prime vs. control). Lastly, participants made a choice between 20 television sets that were described by seven attributes, including environmental aspects. The results revealed that participants with central environmental values made more environmentally friendly choices (i.e. favored televisions emphasizing environmental aspects), but only when participants were primed with value-relevant information. To conclude, values
that are central to the consumer need to be activated in order to result in value-congruent behavior (Verplanken and Holland 2002).

3. METHODOLOGY

To analyze how consumers’ activated values affect their actual food product choices, an experimental study was carried out. The study design of the experiment required recruiting consumers with pre-known central value orientations. Thus, a large number of consumers (c. 1100) were first enticed to register to a web-site. Upon registration they were asked to give certain personal information as well as to answer certain food product usage questions (buying frequencies) and fill in the Schwartz Value Survey (Schwartz, 1992), including 45 items in seven value domains, on the scale of 1-7 (1=not at all important...7=extremely important).

Next, the registered consumers were screened in the search for cases that represent traditional consumers and hedonic consumers. The decision to focus on traditional and hedonic consumers was based on two arguments. First, these value orientations are in clear opposition in Schwartz’s (1992) circular value structure that should maximize the likelihood of the emergence of the value effects. Second, this value opposition has received less academic attention in the food research context; the most common value opposition explored so far has been between universalism and power. The pre-determination of traditional and hedonic consumers occurred by analyzing the responses to the Schwartz Value Survey items tapping tradition (“respect for tradition” and “moderate”) and hedonism (“enjoying life” and “pleasure”). Traditional consumers scored 5.98 (mean) for “respect for tradition” and 5.06 for “moderate” while hedonic consumers scored 3.81 and 3.84, respectively. In turn, hedonic consumers scored 6.72 for “enjoying life” and 6.12 for “pleasure” while traditional consumers scored 5.80 and 4.53, respectively. Differences between the groups for these means were statistically significant at .001 level. Thirdly, these traditional (n=103) and hedonic (n=112) consumers were invited to take part in a study involving a choice experiment. Table 1 shows the background information of traditional and hedonic consumers.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Hedonists</th>
<th>%</th>
<th>Traditionalists</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>female</td>
<td>89</td>
<td>78.8</td>
<td>83</td>
<td>81.4</td>
</tr>
<tr>
<td>male</td>
<td>24</td>
<td>21.2</td>
<td>19</td>
<td>18.6</td>
</tr>
<tr>
<td>total</td>
<td>113</td>
<td>100.0</td>
<td>102</td>
<td>100.0</td>
</tr>
<tr>
<td>Age (years)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;25</td>
<td>41</td>
<td>36.3</td>
<td>7</td>
<td>6.9</td>
</tr>
<tr>
<td>25-34</td>
<td>38</td>
<td>33.6</td>
<td>16</td>
<td>15.8</td>
</tr>
<tr>
<td>35-44</td>
<td>18</td>
<td>15.9</td>
<td>29</td>
<td>28.7</td>
</tr>
<tr>
<td>45-54</td>
<td>10</td>
<td>8.8</td>
<td>30</td>
<td>29.7</td>
</tr>
<tr>
<td>55-64</td>
<td>6</td>
<td>5.3</td>
<td>18</td>
<td>17.8</td>
</tr>
<tr>
<td>65-</td>
<td>0</td>
<td>0.0</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>total</td>
<td>113</td>
<td>100.0</td>
<td>101</td>
<td>100.0</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>elementary and/or vocational school</td>
<td>11</td>
<td>9.7</td>
<td>24</td>
<td>23.5</td>
</tr>
<tr>
<td>institute</td>
<td>22</td>
<td>19.5</td>
<td>27</td>
<td>26.5</td>
</tr>
<tr>
<td>high school graduate</td>
<td>52</td>
<td>46.0</td>
<td>20</td>
<td>19.6</td>
</tr>
<tr>
<td>college or university</td>
<td>28</td>
<td>24.8</td>
<td>31</td>
<td>30.4</td>
</tr>
<tr>
<td>Total</td>
<td>113</td>
<td>100.0</td>
<td>102</td>
<td>100.0</td>
</tr>
</tbody>
</table>

It was controlled that participants were responsible for their household’s food purchasing (94%) and regular users of the test product categories that included rye bread (3 variants in the experiment), cold cut (4), well-being drink (4) and yoghurt (4). These product categories were chosen for the study as they represent typical everyday grocery items that still vary in terms of 1) their involvement level (lowest cold cut, highest well-being drink) and 2) their brand image profiles. The images consumers associate with these food product brands were explored in another survey (a separate sample, n=124). The results of this survey suggested that two rye bread brands, one cold cut brand and one yoghurt brand were perceived as more traditional (key indicative items “conventional” and “moderate”) while two well-being drink and two yoghurt brands were perceived as more hedonistic (key indicative items “exciting” and “up-cheering”). Logically, it was expected that after the value activation 1) traditional consumers should favor (both in terms of choices and attitudes) food products with a traditional image over the food products with a hedonic image and 2) hedonistic consumers should favor (both in terms of choices and attitudes) food products with a hedonic image over the food products with a traditional image.

The experiment was conducted in neutral classroom-like surroundings. The first phase involved the value activation by exposing the participants to a message (an A4-paper with a picture + a statement) appealing either to traditional or hedonic values. These messages were selected from a pre-tested (n=31) pool of 15 picture-statement –combinations. That is, the pre-testers were shown three presumably traditional and hedonic pictures and five presumably traditional and hedonic statements and asked to indicate which of the picture-statement combinations they thought best reflect either a traditional or a hedonic worldview. In the experiment, participants were requested to process the picture-statement –combination for a minute or two and then jot down a few lines regarding their thoughts and the feelings aroused. This was to ensure that participants’ central values were really activated.

In the second phase, the study participants were led to a table on which all of the variants of one product category were laid in their genuine retail packages (touching was also permitted).
Participants were asked to imagine that they are buying rye bread, cold cut, well-being drink or yogurt for their personal weekday use. They were requested to indicate which one of the alternatives was their first, second, third and fourth choice. After this indication they were asked to give reasons for their choices. Subsequent to this task, participants’ food product images were measured using the following semantic differentials adapted from Schwartz’s (1992) value items: 1) fascinating – down-to-earth, 2) conventional - modern, 3) friendly to environment – hostile to environment, 4) active – passive, 5) exciting – dull, 6) original – common, 7) responsible – irresponsible, 8) appreciated – unappreciated, 9) daring – shy, 10) up-cheering – boring, 11) moderate – colorful, 12) ethical – unethical, 13) natural – unnatural and 14) dominating – submissive. This image measurement was supplied to help the analysis of correspondence between respondents’ value orientations and product images. After the completion of all the tasks and questionnaires involved, the study participants were debriefed and given a food product package worth 10 euros.

4. RESULTS

At first, the success of value activation manipulation (message processing task) was checked. Based on the simple content analysis of participants’ comments on the value activation message, the hedonic participants regarded the hedonic message as follows: 79% liked it, 12% were ambivalent about it (both positive and negative statements) and 9% disliked it. The traditional participants regarded the conservative message as follows: 76% liked it, 16% were ambivalent about it and 8% disliked it. Thus, the value activation can be viewed as reasonably successful, since the majority of the participants in both groups had clearly positive (i.e. value-congruent) thoughts and feelings about the presented value-activating message, and only less than one tenth of the participants evaluated messages as incongruent with their views.

The analysis of the food choice task (indication of first, second, third and fourth choices) revealed that only one product was clearly chosen differently between the hedonic and traditional participants. According to the Mann-Whitney U-test (adaptable for measurements with small sample sizes and ordinal scale variables), the well-being drink “B2” was favored by the hedonic participants (mean ranks 61.86 vs. 77.37, Z=-2.354, p=0.019). More specifically, 31.4% of the hedonists ranked the product as their first choice among the four variants, while the respective percentage for the traditional participants was 22.1%. Among the rest of the seven food products no statistically significant between-group differences were found. To illustrate, between the hedonic and traditional consumers, the first choice percentages among the products perceived as hedonic (well-being drink “B1”) 15.5% (by hedonists) vs. 17.6% (by traditionalists), yoghurt “D1” 11.9% vs. 17.6% and yoghurt “D2” 19.0% vs. 14.7%) and among the products perceived as traditional (yoghurt “C1” 21.4% vs. 17.6%, rye bread “E2” 29.2% vs. 32.7% and rye bread “F1” 49.2% vs. 49.0%) were relatively close to equal. Even so, one logical tendency emerged within the cold cut “H1” choices. The traditional participants chose this conventional product more often than the hedonists did (first choices 21.6% and 10.4%, respectively; mean ranks 53.99 vs. 46.34, Z=1.358, p=0.174).

The product images were also measured in order to analyze participants’ attitudes towards the food products included in the experiment. According to the independent samples t-test, several statistically significant differences between the hedonic and traditional participants’ images were found. Minor image differences (0-2 out of 14 image attributes) came out among well-being drinks “A1” (2) and “A2” (1), yoghurts “C1” (2), “C2” (0) and “D2” (0), rye breads “E1” (1), “E2” (2) and “F1” (1) as well as cold cuts “K1” (1) and “G1” (0). Moderate (3-5 attributes) or major (6 or more) image differences emerged among well-being drinks “B1” (6) and “B2” (8), yoghurt “D1” (3), and cold cuts “J1” (3) and “H1” (6). More importantly, altogether 13 image attributes were related to traditionalism and hedonism. These between-group differences are illustrated in Table 2. Firstly, the hedonic participants considered both well-being drinks more modern, more colorful and more exciting than the traditional participants. Secondly, the yoghurt “D1” was rated more colorful, more exciting and more up-cheering, and the yoghurt “C1” more moderate among the hedonists than among the traditional participants. Thirdly, the cold cut product “H1” was evaluated by the hedonic participants as being more conventional, more moderate, more dull and more boring.

<table>
<thead>
<tr>
<th>Product</th>
<th>Image (scale 1-9)</th>
<th>M(hed)</th>
<th>M(trad)</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-being drink B1</td>
<td>Conventional (1) – Modern (9)</td>
<td>6.96</td>
<td>6.26</td>
<td>2.45</td>
<td>.015</td>
</tr>
<tr>
<td>Well-being drink B1</td>
<td>Moderate (1) – Colorful (9)</td>
<td>6.10</td>
<td>5.33</td>
<td>2.93</td>
<td>.004</td>
</tr>
<tr>
<td>Well-being drink B1</td>
<td>Exciting (1) – Dull (9)</td>
<td>3.51</td>
<td>4.09</td>
<td>-1.99</td>
<td>.049</td>
</tr>
<tr>
<td>Well-being drink B2</td>
<td>Conventional (1) – Modern (9)</td>
<td>7.08</td>
<td>6.00</td>
<td>3.74</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Well-being drink B2</td>
<td>Moderate (1) – Colorful (9)</td>
<td>6.07</td>
<td>5.27</td>
<td>3.16</td>
<td>.002</td>
</tr>
<tr>
<td>Well-being drink B2</td>
<td>Exciting (1) – Dull (9)</td>
<td>3.41</td>
<td>4.22</td>
<td>-2.83</td>
<td>.005</td>
</tr>
<tr>
<td>Yoghurt C1</td>
<td>Moderate (1) – Colorful (9)</td>
<td>3.17</td>
<td>4.21</td>
<td>-3.41</td>
<td>.001</td>
</tr>
<tr>
<td>Yoghurt D1</td>
<td>Moderate (1) – Colorful (9)</td>
<td>6.81</td>
<td>6.12</td>
<td>2.07</td>
<td>.042</td>
</tr>
<tr>
<td>Yoghurt D1</td>
<td>Exciting (1) – Dull (9)</td>
<td>3.17</td>
<td>3.94</td>
<td>-2.22</td>
<td>.030</td>
</tr>
<tr>
<td>Yoghurt D1</td>
<td>Up-cheering (1) – Boring (9)</td>
<td>3.02</td>
<td>3.82</td>
<td>-2.11</td>
<td>.038</td>
</tr>
<tr>
<td>Cold cut H1</td>
<td>Conventional (1) – Modern (9)</td>
<td>2.02</td>
<td>2.96</td>
<td>-3.67</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>Cold cut H1</td>
<td>Moderate (1) – Colorful (9)</td>
<td>3.06</td>
<td>3.94</td>
<td>-2.89</td>
<td>.005</td>
</tr>
<tr>
<td>Cold cut H1</td>
<td>Exciting (1) – Dull (9)</td>
<td>6.73</td>
<td>5.92</td>
<td>2.89</td>
<td>.005</td>
</tr>
<tr>
<td>Cold cut H1</td>
<td>Up-cheering (1) – Boring (9)</td>
<td>6.56</td>
<td>5.64</td>
<td>3.52</td>
<td>.001</td>
</tr>
</tbody>
</table>

*Note.* “Conventional” and “moderate” are associated with traditionalism, “exciting” and “up-cheering” with hedonism.
To sum up, three out of four food products associated with hedonic image (B1, B2, D1 and D2) were perceived more positively by hedonic than by traditional consumers. Of four food products associated with traditional image (C1, E2, F1 and H1), one was more positively perceived by traditional than by hedonic consumers. These results indicate that the value activation had only a weak influence on value-congruent food choice behavior but had more impact on product attitudes.

5. DISCUSSION AND CONCLUSIONS

In this study, the effects of consumer values on their actual food product choices were investigated. In the experimental procedure, the values of hedonic and traditional consumers were first activated. Then, in a simulated grocery shopping task they selected their favorite food products in four product categories. Finally, they evaluated each of the food products in terms of their image attributes. The results revealed that even after a successful value activation only one product out of eight was chosen differently (as expected) by the two consumer groups. Still, attitudes towards the majority of the food products were different between groups indicating that the hedonic consumers preferred products with a hedonic image and the traditional consumers preferred products with a traditional image lending support to the common observation that consumers’ attitudes do not always or even most of the time translate into behaviors that are consistent with these attitudes.

Since consumers’ central values, even after value activation, did not explain food choices very well, an additional analysis regarding the role of demographic factors as an explanation for study participants’ food product choices was conducted. Especially gender and age were factors that could be related to differences in food choices. Five statistically significant effects of age and two effects of gender on food product choices were found. For example, certain rye bread product was clearly favored by older study participants, while another rye bread product by younger participants. Thus, it seems that demographics might still be a more powerful predictor of food choices than psychographics in spite of the current claim that they “are becoming less practical in the analysis and prediction of consumer behavior” (Buckley, Cowan, and McCarthy 2007).

However, the involvement level of food products studied may have affected the results. The only product choice difference found between the hedonic and traditional consumers was in the case of one well-being drink. Of the studied food product categories, well-being drinks with designed product brands, tailored claims and engineered tastes were closest to differentiated specialty products that usually are featured by higher levels of involvement. It is possible that more differences in food choices between the hedonic and traditional consumers would have surfaced if food products from the higher end of the involvement continuum (e.g. rare seafood, finest chocolate, luxurious cheeses) had been studied.

In this study, conscious mental mechanisms were used to activate consumers’ central values in a food choice situation. The food choices could have been partly different, if we had used unconscious value activation as Verplanken and Holland (2002) mostly did in their experiments. There exist some evidence that consumers’ unconscious implicit preferences may have an impact on their behavior. For example, Friese, Wänke, and Plessner (2006) demonstrated that especially under time pressure consumers’ unconscious implicit preferences influenced their food choices. As a part of their experimental procedure they asked the participants to classify certain words and pictures of products/brands together. This was meant to reveal participants’ unconscious implicit preferences. The results of this study speak for the effectiveness of unconscious value activation, if it is accepted that unconscious implicit preferences are similar to unactivated central values and that classification task resembles an unconscious value activation process.

A number of research limitations need to be taken into consideration. First of all, the results do not allow for generalizations to be made, since the sample population lived only in urban surroundings, both young consumers and women were over-represented, and hedonic consumers were younger and better educated than traditional consumers in our sample. Secondly, the test environment was not a real retail environment with a multitude of influences and choice alternatives. The experiments were conducted in simple laboratory-like surroundings with a minimal number of atmospheric attractions (excluding e.g. ads, prices, odors, colors, product placement, other customers) and with a limited number of products. Lastly, larger sample size might have produced more food choice differences between hedonists and traditional consumers. Based on these limitations and our results, there is room for more food choice research that profoundly investigates the dynamics of value-behavior—relation. To illustrate, we suggest that further research could take into account consumers’ value structures (centrality and activation), food choice motives, the choice behaviors in real commercial surroundings analyzing the content of shopping carts at cashier and restaurant menu choices and situational factors (e.g. different atmospherics) in their study design.

REFERENCES


Finch, James E. (2005), “The impact of personal consumption values and beliefs on organic food purchase behavior,”

A number of research limitations need to be taken into consideration. First of all, the results do not allow for generalizations to be made, since the sample population lived only in urban surroundings, both young consumers and women were over-represented, and hedonic consumers were younger and better educated than traditional consumers in our sample. Secondly, the test environment was not a real retail environment with a multitude of influences and choice alternatives. The experiments were conducted in simple laboratory-like surroundings with a minimal number of atmospheric attractions (excluding e.g. ads, prices, odors, colors, product placement, other customers) and with a limited number of products. Lastly, larger sample size might have produced more food choice differences between hedonists and traditional consumers. Based on these limitations and our results, there is room for more food choice research that profoundly investigates the dynamics of value-behavior—relation. To illustrate, we suggest that further research could take into account consumers’ value structures (centrality and activation), food choice motives, the choice behaviors in real commercial surroundings analyzing the content of shopping carts at cashier and restaurant menu choices and situational factors (e.g. different atmospherics) in their study design.

REFERENCES


Finch, James E. (2005), “The impact of personal consumption values and beliefs on organic food purchase behavior,”
Journal of Foods Products Marketing 11, 63-76.


Kahle, L.R., S.E. Beatty, and P. Homer (1986), “Alternative measurement approaches to consumer values: The list of values (LOV) and values and life style (VALS),” Journal of Consumer Research 13(Oct.), 405-409.


SESSION SUMMARY

While India is experiencing rapid economic growth, old social issues remain. According to National Family Health Survey 3 (NFHS) data (IIPS and ORC Macro, 2007), India ranks as the third highest country in terms of people living with HIV/AIDS. It also ranks as the second most populous country in the world with a population of 1.15 billion according to 2001 census. Given this twin burden, condom usage remains low in India. According to NFHS 3 data, only 5.8% men use condoms. Our session addresses the challenges involved in condom social marketing (CSM) campaigns in India, by taking both a psychological as well as a societal perspective. The studies then follow up by providing practical recommendations that would enable social marketers to increase the effectiveness of their campaigns. The first study is a concept note narrating the history of CSM in India. The second study highlights findings of a mail survey as to why Indians wear or not wear condoms. The final study takes an upstream social marketing approach and understands the underlying factors that determine the influence of various stakeholders. Audiences interested in our session would be associated with public health, government, social marketing, and latex marketing sectors as well as scholars who work in the area of social marketing. The first paper is still under conceptual development, while the remaining two papers are completed.

ABSTRACT

Concept note on Condom Social Marketing

Kalol Mukherjee, Population Services International, India

UNFPA defines condom programming for HIV prevention as a means of ensuring that those sexually active persons at risk of HIV are motivated to use condoms, have access to quality condoms, and can use them consistently and correctly. A comprehensive condom programme, therefore, addresses demand, supply and support for male and female condoms as a means of protection from STIs/HIV and un-intended pregnancy. It entails putting into place a constellation of inter-related elements including: assessing and meeting user needs; overcoming barriers to access and use; promoting forecasting needs and facilitating procurement according to internally accepted standards and specifications, logistics management including transport and storage, expanding channels for distribution, and monitoring impact.

To most persons in public health, it seems almost redundant to elaborate on the effectiveness of condoms for prevention of HIV, most STIs and unwanted pregnancy. However, in the current global and regional context, when policy makers are articulating concerns on condoms for HIV prevention, the discussion on how effective condoms are for prophylaxis evidently arises. Numerous studies have examined how well condoms work to prevent HIV transmission between sexual partners when one is infected and the other is not. This research clearly demonstrates that condoms are effective, though controversy remains about exactly how effective. At least four meta-analyses of condom effectiveness have placed the effectiveness range from 69% to 94%. The best estimate that may be deduced from the studies is that condoms when used consistently and correctly reduce the risk of transmission by 90%. With perfect use, effectiveness may be even higher, though not 100%. These results closely match data on the effectiveness of condoms for preventing pregnancy. There is little convincing evidence that inconsistent condom use provides any protection.

The important question about condoms for HIV prevention has to do with their effectiveness as a public health strategy. There is need for a combination of approaches [postponing sexual activities, reducing partners, using condoms] to fight AIDS and the epidemic requires tailored responses within countries. Condoms have a role everywhere. Communication efforts need to inform and tell the truth about condoms: that they are effective but not 100 percent effective. This includes referring to sex with condoms as “safer sex” rather than “safe sex” and not telling people that they can only get HIV from unprotected sex.

The India HIV/AIDS National Policy has included condom programming as a separate programme area. The policy statement mentions that ‘the government has adopted a conscious policy of use of condoms through social marketing and community based distribution system’. The policy statement also includes on dual protection for HIV/AIDS as well as family planning and also that ‘there should be no moral, ethical or religious inhibition towards propagating the use of condoms amongst sexually active people, especially those who practice high risk behaviour’.

Thus from policy statements it is clear that condom programming is integrated as a strategy in HIV/AIDS prevention programmes in the country. In the region only India has a detailed separate condom promotion strategy document which has identified four components from strengthening: [1] High quality affordable condoms [2] Increased demand for condoms among core transmitters and bridge populations [3] Increased demand for safer sex behaviours in persons with high risk behaviours in the general population [4] Enhanced enabling environment for condom use. This also includes addressing the socio-cultural dimensions of condom access and use.

India first introduced the concept of social marketing, developed by Indian Institute of Management, in 1968. However, over the years, the Indian social marketing programme has not been able to contribute to its full potential in the country. In order to expand the market in India, particularly in rural areas as well as to meet the reproductive health needs of individuals and couples, it is essential for the social marketing programme to achieve a high level of constraints and bottlenecks.

Social Marketing is recognised as a key strategy in increasing access to health related products and behaviour. Research has shown that free products are frequently wasted. There have been instances where the contraceptives have been discarded and claimed that they have been distributed. Also products given away free by the governments tend to be considered of poor quality by users.

Another advantage is the fact that sales of contraceptive through social marketing systems is backed by and can be tracked by the flow of cash from consumer to retailer to distributor to project headquarters inject a discipline in the system that is essential to adequate control.

The social marketing of condom programming was launched in 1968 initially through large private and public sector companies.
dealing in pharmaceuticals and consumer products as well as voluntary organisations. Several organisations have participated in the programmes including Hindustan Lever Limited, Brooke Bond, Tata oil mills and others. Initially the programme was marketing only government-manufactured condoms. In 1986 the multi- brand strategy was introduced where agencies introduced their own branded products. Social Marketing of oral pills was launched in 1987. However the multi brand strategy for oral pills was started in 1995 and 1996. Currently 13 agencies comprising of drug companies as well as professional social marketing organisations are a part of the programme for condom and oral pills social marketing.

**Social marketing – Building a bridge among condom, consumer, and community**

_Ajay Singh, Indian School of Business, Hyderabad, India_

In order to understand societal influence it is very important to know how people are living in the society, their daily consumption patterns related to preventive health. In India, the need for awareness of condom was felt as early as in the early fifties. Family planning was taken up at mass scale but till date, little success has been achieved. It is only the non-termination methods, which have evident, are yet to take off. Perhaps the entire communication campaign on family planning has been faulty. Inverted red triangle on a yellow background with a slogan “Do Ya Teen Bachche Bus” was quietly changed to “Hum do Hamare Do” and later the visual showed only one child with a slogan “Lark Ho Ya Larki”. During emergency period in India, people were forced to undergo terminal methods. The impact of these measures, which were, no doubt, in the larger interest of society, become negative to the extent that the people were alienated. The marketing approach for promoting social programmers, which begin with a deeper and detailed marketing research. Company realizes that the reason of failure of using condom due to the lack of understanding the psyche of the people and not proper awareness of condom in urban as well as rural areas. People do not feel comfortable to talk about it in public so what is required is that people should feel motivated to come forward voluntarily, instead of promoting the concept of smaller family, even condom should be directly linkages with hygiene rather than HIV/AIDS or family planning. The emphasis should be on healthier, happier and better living with condom. If the earlier mentioned psyche of the people is correct then the efforts must be focused on encouraging cent percent survival of every single child, which can be achieved through a proper education.

In this study there is a need to confirm reasons for usage of condom and to understand role of marketing mix which affects sale of condom or not. On the basis of earlier condom findings and it’s linkages with the community, this study poses the following research questions. 1) What are the overall reasons for usage of condom?

2) What are the overall reasons for not using condoms?

The data for this study came from a mail survey of citizens residing in metropolitan statistical area in Delhi. A randomizes sample of 1050 respondents residing within Dwarka, Mahabeer Colony, Munirika Village and Palam in Delhi was obtained from survey sampling, incorporated. Total sample size was 1115, however, we received 1050 respondents in the original sample, and 65 questionnaires were returned due to invalid addresses. To check for non-response bias, the next step in the survey administration process involved random contacts 5% of the non-respondents via telephone. This check was conducted to obtain basis demographic and to ask them to participate voluntary in this study. Comparisons revealed that survey respondents closely mirrored the general population. For example, 52% of survey respondents were Hindu compared with 65% of the general population. Moreover, 27% of respondents reported monthly income greater than Rs. 26,000. Community was the only socio-demographic characteristics that varied across the sample survey and the general population. In contradiction to prior studies of survey bias, we found that Muslim were more likely to respondents 41% than their representation in the population 16% in a survey of automobile for premium car segment. One strategy to address this incongruence and to reduce sample bias is to weight the data to align it with the population of interest. To correct for the community bias, our survey data was weighted to more accurately reflect the percentage of Hindu/Muslim (52% vs.48%) in Dwarka, Mahabeer Colony, Munirika Village and Palam in Delhi.

The mail questionnaire included a section specifically focused on the community and reasons for usage condoms. A statement at the beginning of the questionnaire defined voluntary reasons for the respondents. To assess overall reasons for usage of condom, respondents were asked, According to you, how do you feel using condom for family planning (1- most important, 2- important, 3- less important, 4- least important). In the same way we were asked several questions related to issues of reasons for using condom in different socio-demographic groups of respondents in Dwarka, Mahabeer Colony, Munirika Village and Palam in Delhi.

Descriptive analysis indicated that Hindu represented 52% of the sample. The mean age of the sample was 38 years. 9% were 18 to 25 years old, 26% were 26 to 35 years old, 32% were 36 to 45 years old and 33% were 46 years or older. The Delhi respondents were more educated, having sound earning capacity and very consensus about number of children, but in depth study of respondent’s profile the outcome was majority of the respondents who so ever have four or more children belong from Muslim community. Overall 65% of respondents have main preference of using condom due to family planning and only 2% are using condom for partners want. This is a clear indication that we have assumption that majority of people are using condom due to STD/AIDS but this is not true from respondents data in Delhi. In the Muslim community, still there are religious pressure for using of condom, they believe that babies are gift from Allah so there is no need for using any contraceptives whether condom or any pills. In rural areas like Palam, people are more consensus about price and availability of branded product, they try once branded condom but can’t continue so they want that companies should provide branded condom in reasonable price. In rural areas still majority of people have myth that condom does not give real tough like skin to skin reasons they are more dependent upon product like Nirod.

**Enhancing stakeholder analysis by investigating underlying factors**

_Sameer Deshpande, University of Lethbridge, Canada_

While previous literature has investigated the stakeholder management in social marketing, the literature tends to limit its attention on influence of individual stakeholders. Less attention is paid to the underlying causes that may explain the influence of a variety of stakeholders. It is important to understand the underlying causes since few of these causes can briefly describe the complex situation of multiple stakeholder influences. It will also enable the social marketing organizations to better manage the influence in order to achieve organizational objectives. This study argues for understanding the underlying factors in the Indian
condom social marketing campaigns that would provide direction to both understanding of multiple influences as well as management of those influences.

The study was approved by the human subjects committee of a Canadian university. Funding for the research study was received from Shastri Indo-Canadian Institute faculty fellowship. In total, around 70 individuals were interviewed from a variety of organizations mostly based in Delhi and Mumbai. These included senior officials working for the Government of India, Indian and international nonprofit social marketing organisations, international granting agencies, United Nation bodies, allied services such as advertising agencies, independent script writers, social research organisations, and academic scholars. After a consent form was administered, an interview was conducted using the “long interview technique” (McCracken 1988), where in the interview started with the “grand tour” questions followed by specific questions centered around respondents’ experiences with - and opinions about - the stakeholders. Interviews lasted for around 90 minutes to 2 hours.

Respondents named a variety of stakeholders that can influence condom promotion in India. Each stakeholder has a strong positive or negative influence. However, following four factors seem to explain the roles of a variety of stakeholders.

1. Morality: Indian culture places high value on morality and it gets reflected in a variety of forms. Since morality makes sex a taboo, sexuality goes underground. This has resulted in suppression of sex education in several states. Politicians worried of the backlash from the voting constituency are concerned about openly discussing the issue of sex. Government of India in the 90s wasted valuable time denying the existence and prevalence of HIV/AIDS in the country and wasted the ability to address the epidemic in its initial stage, where maximum impact could have been achieved. The immortality around sex gets converted into immortality around HIV/AIDS, which is considered to be the result of immoral behavior or bad karma. Coupled this with lack of awareness of what is HIV/AIDS and how it spreads can result in HIV infected individuals being shunned by the society. Taboo around sex also gets reflected in taboo around condoms. Celebrities like cricketers and film stars are shy to say condoms; corporate sector finds it controversial to associate with HIV/AIDS and condoms; and, retailers disburse condoms in plastic bags. Foreign funding agencies have put lot of money to prevent HIV/AIDS and thus condoms have been associated with the scare of the virus rather than its traditional association with family planning, thus hampering condom use within the family sexual habits. Morality of the west is also reflected through funding agencies such as USAID that ask grantee agencies to follow the ABC model (abstinence, be faithful, and use condom model) which may not be consistent with the ground realities.

2. Patriarchy: Lack of women empowerment has a very strong impact on the success or failure of family planning and the prevalence of HIV/AIDS in India. Married women do not insist on condoms since insistence on condoms is seen as a sign of doubting men of having extramarital sexual relations marriage, especially with commercial sex workers (CSWs). As a result, although loyal to one partner (husband), wives land up getting infected and passing on the virus to their children if their male partner is HIV infected. Even CSWs do not insist on condoms with their male clients since it can dissuade their clientele as well bring in lower income.

3. Governance: Poor governance by the government results in the top down approach, corruption, and in general poor policy making and implementation of the social marketing projects. Due to centralized economy, the central government continues to behave with a heavy handed top down approach, where state agencies and the private sector is not seriously consulted while forming policies and programs. The fact that health is a state subject complicates the situation. The state agencies are thus less motivated and convinced to implement those programs forced upon them. Corruption seems to be rampant at the state level. This coupled with lack of motivation and resources results in poor implementation of campaigns. This also results in poor primary healthcare sector system especially in the rural areas – leading to existence of quacks who carry out the bulk of primary care among the poor. Central government similarly has shown very little interest in consulting social marketing organizations while forming the subsidy policies for condom promotion. Government gives insufficient subsidies to SMOs and as a result, SMOs fail to target urban and rural poor, the intended target audience.

4. Urban/rural divide: The top down approach discussed earlier also gets reflected in the cultural distance that exists between urban and rural India. While bulk of Indians live in rural areas, urban centered organizations including SMOs and allied services such as advertising agencies who have little clue about the urban poor and rural society design campaigns. The resulting campaigns reflect stereotypes and ineffective and offensive information.

In recent years, Bindas Bol (say it without fear), and Bhau campaign (Bhau is big brother in Marathi language), have tried to address the shyness and controversy associated with condom usage among men in the country. Likewise, it would be beneficial to address other underlying factors that would enable social marketers to manage multiple stakeholders.

REFERENCES


Long abstract

The contemporary global consumptionscape is characterized by a vast array of global economic, technological and cultural flows. These flows connect different consumer cultures in highly complex ways. One outcome of global cultural flows is the re-appropriation of cultural practices in their places of origin after a process of sanctioning in the Western hotbed of consumer culture production. In this session we will explore how the crossing and re-crossing of boundaries has fundamentally transformed the practices and ideas behind local consumption practices in the Asian marketplace.

One of the consumption practices where we can clearly see a re-appropriation of the local is yoga. Yoga is a set of physical and mental practices which originated in India between 200 BC and 200 AD. In its original Indian version, “…yoga was a philosophically grounded set of practices designed to facilitate spiritual enlightenment,” (Strauss 2005, 5). Yoga practice has steadily spread to the West since the 1960s, where Westerners on the “hippy trail” discovered it in India and brought it back home. “Yoga in the western context was seen as a way to reconnect with the spiritual world, reduce stress, and regain health and freedom,” (Strauss 2005, 6.). In the West, yoga was seen as a practical method for acquiring spiritual capital (Bourdieu 1984).

Modern yoga as it is currently practiced in the West, however, tends to have a focus on health and freedom (Strauss 2005). Both health, as manifested in the West as fitness, and freedom are primary markers for modernity, and thus allowed yoga to fit into Western culture by promising a means to physical health as well as freedom to pursue spiritual quests. At the same time, yoga’s association with health and freedom is what is making it reappealing to modern Indian consumers.

Based on the West’s stamp of approval (Cayla and Eckhardt 2007), yoga has become a trendy activity for the nouveau riche in Asia to take part in (Liechty 2003). As Strauss (2005) points out, although yoga never actually left India, its current popularity follows on the heels of its Western dissemination, and thus yoga in India has been re-appropriated. Especially important in the re-appropriation of yoga in the Asian context is the legitimacy that is based on the Western adoption of yoga practices as a widely accepted technique for self-management. Yoga in its contemporary form thus becomes a nexus between Western ideals of self-optimization and Eastern ideals of cosmic balance, as well as a space of dialogue between ideologies of inner vs. outer beauty. The re-appropriation of the global yoga industry can be understood through various theoretical lenses. It can be conceived as an(other) example of what Mazzarella termed auto-orientalism, the “use of globally recognized signifiers of Indian tradition to facilitate the aspirational consumption, by Indians, of a culturally marked self” (Mazzarella 2003, p. 138). But it can be considered a case of global structures of common difference (Wilk 1995) as well as a contemporary marketplace mythology (Thompson 2004). From this perspective, research needs to explore if and how the global yoga structure is becoming homogenized as yoga becomes re-appropriated in India, and how both Eastern and Western yoga mythologies have influenced the re-appropriation process.

We use the example of yoga in the Asian marketplace to illustrate the types of processes we are aiming to discuss during the roundtable under the theme of “re-appropriation.” We will invite reflections on how such processes of re-appropriation are occurring. Furthermore, we will flesh out other contexts in which this is taking place, and from a theoretical perspective discuss how this phenomenon fits into our understanding of the globalization process. In particular, the discussion should increase the focus on global flows between power centers and power peripheries of global cultures, but at the same time it is obvious how the case of yoga and its global popularity challenges too clear-cut notions of center and periphery. With its focus on global cultural flows and on “auto-orientalism”, the roundtable should also be seen as complementary to Dholakia’s proposed roundtable on “hyper-westernization.” These roundtables together will constitute a significant forum for a discussion of contemporary change processes in India and Asia in particular, and in globalizing and marketing societies in general.

REFERENCES

SPECIAL SESSION SUMMARY
Navigating the Publishing Process at Top Marketing Journals: Process and Content Perspectives

Chair: Mary Ann Twist
Amitava Chattopadhyay, Journal of Consumer Psychology*
Klaus Wertenbroch, Journal of Marketing Research
Kristin Diehl, Journal of the Academy of Marketing Science
Praveen Kopalle, Marketing Science
James Gentry, North American Editor, Journal of Consumer Behaviour

This will be a parallel session and would involve participants interacting with representatives from the top marketing journals. The goal of the session is to discuss how best to prepare and submit manuscripts for the leading marketing journals to maximize likelihood of success. Additionally, editorial board members from some of the journals will talk about the content of their journals and appropriately positioning papers for their journals. Each representative will use approximately 10-12 minutes to discuss the submission and review process of their respective journals and this will be followed by an open discussion and Q & A.

Confirmed presenters include Mary Ann Twist (Managing Editor, Journal of Consumer Research), Amitava Chattopadhyay (Editorial Board, Journal of Consumer Psychology), Klaus Wertenbroch (Editorial Board, Journal of Marketing Research), Kristin Diehl (Editorial Board, Journal of the Academy of Marketing Science), Praveen Kopalle (Editorial Board, Marketing Science), and James Gentry (Journal of Consumer Behavior).
Convenient or Intrusive? The Role of "When" and "Where" in Consumer Reactions to Mobile Advertising
Syagnik Banerjee, Assistant Professor Marketing, University of Michigan, Flint, USA
Ruby Roy Dholakia, Professor of Marketing and E-Commerce, University of Rhode Island, USA

EXTENDED ABSTRACT
Information gaps between consumers and availability of marketplace offerings often lead to demand-supply mismatches due to implicit information and transport costs. Location Based Advertising (LBS) through mobile phones helps remove such implicit costs by reaching consumers at the right place and time. In this paper, we examine the differences between the effects of LBS and Location independent Strategies (LIS) on consumer perceptions of usefulness, store evaluations and intentions to respond to the offer. The effects are found to be moderated by location type (public/private) and situation type (work/leisure).

Privacy perceptions and media context are known to affect evaluations of advertisements. In leisure situations an advertisement seems to fit in more easily, whereas in work situation it appears as a disturbance. Also, advertising in public places is more acceptable than reaching private locations (like homes, offices, etc). We conduct a 2 X 2 X 2 between subjects scenario-based study (N = 326) to examine the effects of LIS/LBS strategies at public/private locations in work/leisure situations. The stimuli for the scenarios are developed with a pretest (N = 75), and treatments confirmed with manipulation checks.

Results showed that advertising in public locations (M = 10.6) was perceived to be more useful than in private locations (M = 9.03). Also, advertisements in congruous situations were rated as more useful (M = 10.34) than those in incongruent situations (M = 8.6). Strategy alone did not affect perceptions of usefulness. Location and congruity also showed a significant interaction effect on usefulness. Advertising in more congruent situations did not have any effect (on perceived usefulness) in private locations, but had a significantly higher effect in public locations.

Subjects reported significantly higher store evaluations if advertised in public locations (M = 3.57) than in private locations (M = 3.2), and they also reported higher evaluations when advertised in congruent situations (M = 3.48) than incongruent ones (M = 3.15), demonstrating major effects of location and situational congruity. Similar effects of location and congruity were also found on advertisement evaluations, but the effects were weaker in comparison. Thus location and congruity of mobile advertisements strongly affected perceptions of the store, and to a certain extent the advertisement, but not the evaluations of the brand or mobile service provider.

Consumers are significantly more likely to switch their phones off when advertised in more incongruent situations (M = 3.89) than congruent situations (M = 3.2). Also, there is a significant interaction effect of strategy X location on positively responding to the offer. LBS generates better responses in public locations (M = 2.62) than private locations (M = 1.93) On the other hand, LIS does not show much difference be it private (M = 1.98), or public (M = 2.01).

Our findings in this study show some interesting effects. First, it breaks the myth that LBS is “generally” a more relevant or useful advertising style, as demonstrated by consumer perceptions. Second, it suggests that consumers will find “locationally relevant” ads more useful if the locations are public, rather than private. In fact, irrespective of what kind of activity they are engaged in (work related or leisure related), when location-based advertisements (LBS) are used, “location inertia” seems to characterize consumer responses from a private location. We use the term location inertia because this relative “unwillingness” to shop when advertised in private places has nothing to do with geographical distance from the store. In the LBS scenarios, private or public locations, the distances of the advertised store were specified as exactly the same (less than 0.1 mile away). But it appears that the actual distance does not matter; despite knowing that the store is the same distance away, a consumer is less likely to avail the offer when the ad is received at a private location than at a public location. Third, perceptions of intrusiveness are not affected when and where the advertisement reaches the consumer. Fourth, changing the context of such mobile advertisements can also affect the consumer evaluations of retail stores or the stock-points, but not the brand or mobile service provider, revealing some insight to their attributions of responsibility. Our study adds value to researchers understanding of consumer perceptions of ads, specifically in scenarios presenting physical-virtual conflicts. It also provides additional insight for policy makers, as well as managers on perceptions of new technology driven advertising.

REFERENCES


Generic Advertising Campaigns: A Goals-Based Perspective on the Effect of Market Trends and Solicitation Messages on Voluntary Contributions

Shweta S. Oza, University of Miami
Joydeep Srivastava, University of Maryland

EXTENDED ABSTRACT

Millions of dollars are spent every year on generic advertising campaigns that are designed to promote an entire product category. Generic advertising campaigns are intended to stimulate primary category demand (i.e., increase the size of pie) (Forker and Ward 1993). Some common examples of generic advertising are the “Got Milk?” campaign, “The New Steel” campaign, “Pork: The Other White Meat” campaign, and “Cotton: The Fabric of Our Lives” campaign. Despite the importance and prevalence of generic advertising campaigns, such campaigns have received relatively little attention in the marketing literature.

The few studies that examine generic advertising campaigns have focused either on the effect of such advertising on consumers (Borden 1965; Chakravarti and Janiszewski 2004) or the relationship between generic and brand advertising in identifying conditions under which firms should focus more on generic versus brand advertising (Bass et al. 2005; Krishnamurthy 2000). As such, relatively little is known about the trials and tribulations of organizing and funding generic advertising campaigns (Krishnamurthy, Bottom, and Rao 2003). While many generic advertising campaigns, particularly in the agriculture and commodities market, are funded via mandatory contributions (also called check-offs) of the individual producers (members); several others (like “Cotton: The Fabric of Our Lives”) are funded by voluntary contributions from the individual members (Krishnamurthy 2000).

Voluntarily funded generic advertising campaigns benefit all individual members, regardless of whether an individual member contributes towards the campaign (Forker and Ward 1993) and the benefits do not reduce for any member just because another member has benefited from it. Voluntarily funded generic advertising campaigns can thus be conceptualized as a social dilemma or more specifically as a public goods problem (Dawes 1980). First, individual members benefit from generic advertising even if they do not contribute towards the campaign. The dominant strategy for a member is thus not to contribute at all with the hope that other members will contribute. Second, if all members decide not to contribute, no one benefits. The dilemma arises because the dominant strategy based on individual rationality is for an individual member to contribute nothing whereas the optimal strategy based on group rationality is for every member to contribute the maximum (Dawes and Thaler 1988). This research views voluntarily funded generic advertising campaigns from a public goods lens and examines factors that may influence cooperation and thus increase members’ voluntary contributions. Specifically, this research examines the influence of situational (or market) factors and solicitation messages on individual members’ contribution decisions towards a generic advertising campaign.

Situational factors at the macro level such as market or industry trend, more or less, affect every firm within a specific industry and have the potential to affect the level of competition or cooperation among firms (e.g., Rotemberg and Saloner 1986). However, the findings are conflicting as some studies show that cooperation decreases among firms in periods of increasing market demand (Rotemberg and Saloner 1986) whereas others show that there is less cooperation in periods of declining market demand (Green and Porter 1984; Scherer 1980). In the present context, industry trend provides the milieu in which individual members decide on whether to contribute to a generic advertising campaign, and if so, how much? In other words, contribution decisions may be influenced by whether the individual members face a market with an increasing versus decreasing demand (and profitability). On one hand, facing a declining trend in profitability, resource constrained members may curtail their marketing and advertising budgets. On the other hand, members may feel the need to cooperate and increase their advertising budget in tough market conditions (Krishnamurthy et al. 2003). Given the scant empirical evidence on the effect of market level factors on members’ contribution decisions towards a generic advertising campaign (Krishnamurthy et al. 2003) and the conflicting theories regarding its effect on the level of cooperation, this research examines contribution decisions towards a generic advertising campaign when a specific market faces an increasing versus a decreasing profitability trend.

The second factor that we examine is solicitation message. It is common practice for industry-wide consortiums to use solicitation messages to encourage individual members to contribute towards a generic advertising campaign (Forker and Ward 1993). The effectiveness of solicitation messages is likely to vary with the message used and the manner in which the messages are framed (e.g., Maheswaran and Meyers-Levy 1990; Rothman and Salovey 1997). Further, since contribution decisions about generic advertising campaigns are made in the context of situational factors, the effectiveness of different solicitation messages is likely to vary with the prevailing market trend. Although there is considerable research which shows that message effectiveness depends on how it is framed (e.g., Levin, Schneider, and Gaeth 1998), the findings regarding the conditions under which different frames (e.g., positive/negative or gain/loss) are most effective are mixed and inconsistent (e.g., Block and Keller 1995; Lee and Aaker 2004; Maheswaran and Meyers-Levy 1990). Some studies suggest that positively framed messages are more effective (e.g., Maheswaran and Meyers-Levy 1990; Meyers-Levy and Maheswaran 2004) whereas other studies suggest that negatively framed messages are more effective (e.g., Block and Keller 1995). In the present context, the question is how should a message be framed to maximize its effectiveness in different market conditions? This research addresses this question by examining the effectiveness of different message frames in increasing contributions towards a generic advertising campaign when a market faces an increasing as well as a decreasing trend in demand and profitability.

Importantly, we develop a conceptual framework based on goal systems theory (Kruglanski et al. 2002) that allows us to predict the simultaneous effects of market trends and solicitation messages on voluntary contributions. The results of three studies are reported that are consistent with the conceptual framework. Study 1 showed that voluntary contributions towards a generic advertising campaign were higher in the decreasing market trend relative to the increasing market trend and that the market trends induced different goals and these goals mediated the effect of market trends on voluntary contributions. Specifically, an increasing market trend primarily induced the goal of increasing
profits whereas a decreasing profit trend induced the goal of preventing a decline in profits.

Study 2 showed that different solicitation messages are effective in the different market trend conditions. When the market trend was positive the solicitation message that was most effective in increasing voluntary contributions towards a generic advertising campaign was positive in action and positive in consequence. In contrast, when the market trend was negative, the most effective solicitation message was positive in action but negative in consequence. The results of Study 2 are consistent with our argument that market trends induce different goals and the solicitation message that is congruent with the mean-goal association is likely to be most effective in increasing voluntary contributions. Recognizing that goals are one of many factors that may be affected by the different market trends, Study 3 was designed to demonstrate that the findings are indeed due to the different goals induced by the different market trends. Instead of manipulating market trends, Study 3 primed the goals of “increase profits” and “prevent a decline in profits” and showed that the results are consistent with the findings of Study 2.

Together, the results point to the importance of goals in decision making. Our findings suggest that situational factors may induce different goals that then lead to different behavioral tendencies (Higgins 2002; Kruglanski et al. 2002). In the generic advertising context, the market situation that an industry confronts provides the milieu within which the voluntary contribution decisions are made. The different market trends induce different goals, which in turn influence the choice and importance of available means to attain the induced goals thereby leading to differences in voluntary contributions.
Celebrity Endorsements And Brand Personality
Subhadip Roy, ICFAI Institute for Management Teachers, Hyderabad
Dr. Y. L. R. Moorthi, Indian Institute of Management, Bangalore

ABSTRACT

Celebrity endorsement is a highly researched field in marketing. Having its roots in psychology and the source credibility of communication (Hovland and Weiss, 1952; McCroskey and Young, 1981) it has come up a long way since the early research was done in the seventies (Friedman, et al., 1976; Kamen et al., 1975). Researchers have delved into various issues of celebrity endorsements such as source credibility of the celebrity, celebrity-brand congruence and meaning transfer model (McCracken, 1989). Research in Brand Personality is relatively new. The works of Aaker and Fournier (1995), Aaker (1997) and Durgee (1998) initiated the interest which ultimately resulted in the construction of a Brand Personality Scale by Aaker (1997). However, researchers have not looked into the issue of Celebrity Personality affecting the Brand Personality even in congruence studies. In this paper we try to address the issue of celebrity personality affecting brand personality. Based on an empirical study, we try to find out whether the same personality dimensions exist for the celebrity and the brand endorsed respectively. Following which we have tried to see whether celebrity personality has an effect of brand personality. The study is supposed to generate research interest because of its novelty of idea.

EXTENDED ABSTRACT

The practice of using celebrities in advertisements to promote products dates back to more than a hundred years and continues till date. Some studies have found out that as much as 25% of the total advertisements aired use celebrity endorsements (Shimp 2000). The scenario is not too different in India. Celebrities from the field of sports and movies have a string of endorsements under their belt. Thus celebrity endorsements become a relevant field of research in India. One of the key streams of research in celebrity endorsements is the “source credibility” research that primarily looked into finding out the dimensions of a celebrity source which affect the consumer in the communication process. The other important stream of research is the celebrity-brand congruence studies. The congruence studies have delved into the similarities or correspondence between the product or brand and the celebrity which is popularly known as the “match-up” hypothesis (Kamins 1990; Kamins and Gupta 1994; Kirmani and Shiv 1998; Misra and Beatty 1990; Mittelstaedt and Riesz 2000). Again, each and every celebrity has a personality of his/her own. Through the endorsement a part of that is supposed to rub off onto the brand. The Meaning Transfer Model of McCracken (1989) suggests this, though not directly. The BP construct however, has been studied at a conceptual (Durgee 1998; Gardner and Levy 1955) and at an empirical level (Aaker 1997; Johar, Sengupta, and Aaker 2005; etc). Aaker (1997) had constructed and validated a scale to measure BP which was loosely based on the Big Five personality traits (Goldberg 1990). However, there has been no effort as per the knowledge of the researchers to integrate both aspects of celebrity endorsements and BP to find out the effect of celebrity personality on Brand Personality. Thus the current study aims to examine whether Celebrity personality has an effect on BP with the help of a conceptual model and empirical data analysis. Both the congruence studies in celebrity endorsements (Friedman and Friedman 1976; Kamins 1990; Mittelstaedt and Riesz 2000) and the meaning transfer (McCracken 1989; Langmeyer and Walker 1991) studies have hinted on the congruence or transfer of attributes from the celebrity to the brand endorsed. To study whether the celebrity is a source of BP has also been hinted by Durgee (1998) who opined that the researchers need to delve into the sources of BP. Thus we define the objective of the study which is to examine the effect of the celebrity personality on the brand personality. Hence, we define our hypothesis which states:

Hypothesis: The personality of a celebrity will have a positive impact on the personality of a brand.

There were four phases to the execution of this research. The first phase consisted of the celebrity selection for the study and the selection of the brand endorsed by the celebrity, questionnaire design and data collection. In the second phase the data collected on the celebrity were analyzed. In the third phase the data collected on the brand was analyzed. In the fourth and last phase, the conceptual model given in Figure 1 was tested.

FIGURE 1

The Conceptual Model

The entire study used student samples. The justification of using student sample is from the fact that they are exposed to the media, and thus to celebrity advertisements. Secondly, at their age the celebrity becomes more of an idol or role model. Thus student sample was supposed to fulfill the study objectives. Sachin Tendulkar (Sachin), the cricketer was identified as the celebrity the brand identified for the celebrity was Pepsi. The items to identify personality of the celebrity as well as the brand were selected from the fifteen facets given in Aaker’s (1997) study. The data was collected using five point semantic differential scale (1 – Not at all descriptive to 5 – Totally Descriptive). A total of 200 questionnaires were distributed for each group, of which 196 usable questionnaires were obtained for the first group (Sachin) and 198 for the second group (Pepsi). Exploratory factor analysis
(Principal Components Analysis with Varimax rotation) was conducted to identify the factor structure of the personality facets for Sachin and Pepsi independently. Both for Sachin and Pepsi, all fifteen facets had loadings above 0.50 and the same five factor structure of Aaker (1997) was obtained. All factors had reasonable coefficient alpha values of more than 0.7 (Nunnally 1978) ensuring internal consistency reliability. The Discriminant validity of the factors was tested using Structural Equation Modeling (AMOS 5) for each set (Sachin and Pepsi) separately. We took two factors at a time with a correlated and a restricted (correlation =1) model for each pair. Thus a total of ten (10) pair-wise discriminant validity checks were run for each dataset. The constrained and unconstrained chi-square values of each model were compared and a significant difference was found between them for both datasets, thus indicating high discriminant validity. In this phase, the conceptual model given in Figure 1 was tested. For both the celebrity data and the brand data, the factor scores were calculated as mean of the items included in that factor. Then a structural model was run using the celebrity personality as the exogenous latent variable and the brand personality as the endogenous latent variable. SEM was used to achieve the objective and the software used to run the model was AMOS 5. The results indicated a reasonably good fit and a statistically significant effect ($\beta=0.391$) of the celebrity personality on the brand personality. However, when a reverse causality model was tested, i.e. the casual arrow was directed towards the celebrity instead of the brand (opposite to that given in Figure 1) a significant effect of the brand on the celebrity was identified ($\beta=0.88$) and that was higher than the effect of the celebrity on the brand. For the researcher, the study has generated three major inferences. First, the BP scale developed by Aaker (1997) was found out to be reliable and valid both for the celebrity and the brand. Thus it supports the BP construct and its use in marketing research. Second, the study found support for the effect on celebrity personality on brand personality, and thus the Hypothesis stated in the conceptualization section could not be rejected. However, the finding of the impact of the brand on the celebrity opens up another dimension for discussion. In case, the brand is a big one (which is very true in our case) and the celebrity is not that big, Sachin is only popular in the cricket playing nations, there could be a reverse flow of personality from the brand to the celebrity. In a broader sense, the study supports the Meaning Transfer Model of McCracken (1989) if we consider personality to be a part of the meaning which is transferred and also raises the question of the reverse meaning transfer phenomenon. For the marketer, the study could draw inference that there will be an impact of the celebrity personality on the brand personality but also the reverse may take place. Thus in case of a new brand, care should be taken before going for the celebrity endorsement, because there may be a transfer of some personality attributes from the celebrity to the brand which is unwanted by the marketer. Thus in effect the study contributes both to the celebrity endorsement and brand personality literature and calls for more research in this area.
An Alternative Decision-Making Paradigm: The Maintenance of Mental Health
James W. Gentry, University of Nebraska-Lincoln
Suraj Commuri, University of Albany
Mariam Beruchashvili, California State University-Northridge

ABSTRACT
Marketing and, to a lesser extent, Consumer Research have been limited by their basic foundation coming from Economics and by its normative emphasis. Despite Consumer Research’s broadened scope fostered by the incorporation of perspectives from Psychology, Sociology, Anthropology, and other disciplines, we argue that the perspectives of consumer decision making have been based, implicitly if not explicitly, upon (modifications of) Economic theory. Hirschman (1993) argued that a cooperative perspective should be considered as well as a competitive one. We extend that by arguing that a mental health perspective should be used to evaluate decision making and, more importantly, to frame our expectations for consumer research.

INTRODUCTION
Do consumers make decisions well? There have been ongoing debates in many disciplines as to whether we should look at human decision making as good and adaptive or lousy and full of persistent biases. Klayman (2003, p. 3) argues that “It’s an inappropriate question, and we shouldn’t be debating;” instead, he advocates studying how to help people achieve their goals, rather than whether judgment is better modeled by shortcomings or achievements. This issue is especially pertinent to Marketing (the dominant discipline of Consumer Research at this point in time), which has its own roots primarily in Economics with its emphasis on ‘should’ rather than ‘how.’ For example, consumer economists have a long history of faulting consumers for poor decision processes. Whether we admit it or not, a normative perspective still permeates much of our thinking in consumer research. It is time for a paradigm shift away from any semblance of an optimization mindset to a more meaningful perspective in terms of how we approach research issues.

This call for a paradigm shift is similar to that by Hirschman (1993), who noted the masculine, competitive perspective embedded in Economics and instead advocated inclusion of a more feminine, cooperative perspective. To see the value of her advice, consider the area of family research within consumer research. Until recently, it has focused on relative influence as though decision making was a zero-sum game (hers or his, or less frequently, his, hers, or the child’s). Isn’t there shared influence and the acknowledgment of empathy on the other family members’ parts? Might not we find it if we looked for it?

Rather than the maximization of individual subjective expected utility, what decision criterion should we use as a basis for evaluating whether consumers are being successful in meeting their goals? Utility itself is a step in the right direction, diverting us from the maximization of payoffs by noting that our utility for money is usually not linear. Kahneman and Tversky (1979) moved us further by focusing on value in Prospect Theory as opposed to utility. Further, they touch tangentially on a mental health perspective when they discussed the need to reconcile losses; the notion of “making peace” with one’s losses could imply a concern for one’s mental well-being. Some have proposed decision criteria such as happiness (DesMeules 2002) and subjective well being (Ahuvia and Friedman 1998) as alternative perspectives. We propose a maintenance of mental health perspective (MHP), based on the notion that consumers’ decision-making is predicated upon an inclination to simultaneously reduce the effort and the possible dissonance associated with a decision. The World Health Organization defines mental health “as a state of well-being in which every individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community.” Thus, we assert that a consumer’s primary goal is not necessarily to maximize a decision outcome, but also to minimize the discomfort associated with the process and the outcome of a decision. For example, one tactic which consumers use to minimize discomfort is to reinterpret their experiences, decision processes, and the allied circumstances by placing the outcome in the best light possible. Research which helps us understand consumers’ cognitive processes is beneficial, but possibly short-sighted if we are not concerned with their emotional stability as well.

The MHP differs from the economic perspective in a fundamental manner – in the MHP, there is no normative model of decision making. In other words, while there are universally optimal and sub-optimal approaches under the economic perspective, a decision is optimal under the MHP perspective when it fits the mental health goals (see above) of decision makers, even if such goals are not congruent with any normative models of mental health. Further, the inclusion of a concern for emotional stability is expected to facilitate the inclusion of social contexts into our research perspectives and reduce the likelihood that we will view markets as interpersonal vacuums as Frenzen and Davis (1990) asserted that economists have. A comparison of the MHP with the economic perspective and a “happiness” perspective is shown in Figure 1.
We will evaluate findings from consumer decision process research from the perspective of one maintaining one’s mental health as opposed to one maximizing one’s assets, and then note that the anomalies make much more sense from a mental health perspective rather than from a decision theoretic one. We are not advocating that we completely ignore cognitive concerns, but rather that we also consider non-cognitive elements that contribute to our emotional stability.

This proposed shift in the decision-making paradigm allows researchers to approach interesting topics without traditionally preconceived expectations as to what we are going to find. Let us consider family research in Marketing once again and look at the role of Hirschman’s admonition to look for cooperation in addition to competition. Reviews of family research (i.e., Commuri and Gentry 2005) have been harsh in terms of the failure to investigate systematically the dynamic interactions in the family. Research cited as exemplary was in fact conducted within traditional competitive expectations. For instance, consider Park’s (1982) classic “Muddling Through” article which found that spouses try to maximize their own utility functions while at the same time trying to maintain harmony in the household (we would suggest that harmony maintenance has strong links to a maintenance of mental health perspective). We give credit to Park for being able to recognize the existence of a need for harmony; we also note that, at the time, Park was one of the few Marketing scholars raised in a collective culture, which no doubt facilitated this recognition.

A second exemplary piece is that of Corfman and Lehmann (1987), which found a lack of conflict among spouses despite selecting stimuli that maximized the differences in preferences for each couple. More recent efforts (Epp 2008; Epp and Price 2008) have seen researchers investigating individual, relational, and collective identities within the family and finding their ability to make decisions that satisfy no one family member perfectly, but yet satisfy all family members amazingly well. Such findings would not be possible using the “family as sum of its parts” approach that has evolved in family research under the dominant competitive paradigm. Additionally, Commuri and Gentry (2005) found that Resource Theory (based on the notion that whoever generates the most resources will be the decision maker, a notion more equity-based than egalitarian) did not explain decision processes in households where the wife was the chief wage earner. Instead, resources were allocated so as to create the appearance of “provider.” Family research in Marketing has become richer with the frequent incorporation of qualitative data collection procedures. We suggest that this change was facilitated less by the inclusion of qualitative data procedures than by Hirschman’s great grasp of the (now) obvious, that not all consumer processes are dictated by competitive perspectives.

<table>
<thead>
<tr>
<th>Information Search</th>
<th>Information Use</th>
<th>Decision Process</th>
<th>Post Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Perspective</td>
<td>One way to optimize utility is better than all others and it is known. All information required to optimize utility that way is required, though the costs of search are considered as well. Search costs are always negative.</td>
<td>Well specified processes are to be used, most likely compensatory models unless time pressures are such that heuristics are more efficient.</td>
<td>There is no value to further decision making once the decision in made.</td>
</tr>
<tr>
<td>Happiness Perspective</td>
<td>One way gives you more happiness than all other ways known. All information required to proceed in that way is required, unless one is unhappy with the search process. Search costs can be ignored if one enjoys the process.</td>
<td>Decisions are made in a relatively simply manner unless one finds happiness in dealing with the details.</td>
<td>Reinterpretation of the decision outcome takes place in order for it to be seen as palatable.</td>
</tr>
<tr>
<td>Mental Health Perspective</td>
<td>Information search ends when it is no longer worth the decision maker’s effort to search for that information. Information gathered up to this point is all the information required to make a decision. Far more information than necessary can be obtained when one enjoys the process.</td>
<td>There are high involvement situations in which Accuracy Goals exist, and implicit tradeoff models are used. More commonly, we have the semblance of the accumulation of evidence to confirm a choice already made.</td>
<td>Continued information search takes place, but biased in nature so as to confirm the decision made. Outcomes are reinterpreted as being acceptable.</td>
</tr>
</tbody>
</table>
WHY A MENTAL HEALTH PERSPECTIVE?

What can be gained by investigating decision making from the perspective of one seeking to maintain one’s mental health? Zaltman (2000, p. 426) notes that one purpose of human consciousness is to maintain physical and mental well-being, and that “the consumption of many goods, services, and ideas is consciousness’s crutch for enhancing physical and mental well-being.” We agree with Zaltman (2000, p. 428) that consumer researchers should “go off the beaten path” in the hope that a new perspective might help us recognize as of yet unseen happenings and interpretations. This section will summarize certain findings in consumer research that can by explained better from a mental health perspective.

The Certainty Effect

In their Prospect Theory article, Kahneman and Tversky (1979) discussed the Certainty Effect, or the phenomenon that people overweight outcomes that are considered certain relative to outcomes that are merely probable. They also discuss probabilistic insurance, which they show to be superior to regular insurance. It is understandable that all forms of commercial insurance have a negative expected payoff to an honest consumer, and that cutting that negative amount by half would be economically beneficial. Somehow, though, there is limited face validity for paying half the premium to get a 50-50 chance of coverage (after paying the other half of the premium) should the insured-against event occur. At least, we have noticed no movement by decision theorists to go into business offering probabilistic insurance in the marketplace.

The desire for certainty certainly supports the editing processes incorporated in Prospect Theory, which see very small probabilities being converted to zero. One author’s daughter (when quite young) became extremely anxious upon seeing an advertisement for a smoke alarm, as she was very certain that her house would burn in the short run. Somehow a calm discussion of the very small probability of a fire did little to soothe her. As adults, we have learned to cope with such worries by discounting (often to a probability of zero) the likelihood of such disasters.

The certainty effect makes great sense to many of us, yet it must have come as a shock to early normative decision theorists studying how people handle uncertainty, probability, and risk. Possibly this effect would have been found far earlier in decision research.

Possibly this effect would have been found far earlier in the study of consumer decision processes that have been hindered by the certainty of death may shed light on consumer decision processes that have been hindered by the implicit application of the dominant economic paradigm. In passing, we should note that Sex, as well as Death, has been largely ignored in consumer research, but might fit well within a mental health maintenance perspective.

The Status Quo (Endowment) Effect

The fact that people often demand much more to give up an object than they are willing to pay to acquire it was labeled the Endowment Effect by Thaler (1980) as well as the Status Quo Effect by Samuelson and Zeckhauser (1988). An early example was an experiment involving a coffee mug. One-third of the subjects were Sellers, who were given the mug and then asked to name a price at which they would be willing to sell it. Another third were Buyers, who were asked how much they would pay for it. The last third were Choosers, who were asked, for sequential prices, whether they wanted the mug or that amount of money. Given that all three processes are commonly used to determine indifference curves, economists would expect similar amounts of money to be chosen. However, the median reservation prices were Sellers $7.12; Choosers $3.12, and Buyers $2.87. Thus, possessing an item, even for a very short period of time, increases its value to its owner. The study has been replicated numerous times with similar results. For decision theorists, this is an anomaly.

This may make far more sense for someone concerned with one’s mental health. For a consumer, a possession is known and familiar. Over time, objects may take on symbolic meanings and trigger memories of good times in the past or represent loved ones now departed. The observation that recent acquisition of an object starts this possession evaluation escalation is a bit startling, but should it be? The loss aversion component of Prospect Theory may be hard to justify from an economic perspective, but much less so from a mental health perspective. Inertia is a very real human phenomenon, and a body at rest will tend to stay at rest. Change is more often avoided than sought. Even in Western cultures with stronger Promotion leanings than Prevention orientations (Higgins 1987, 1997), existing possessions offer security that potential purchases may not. Research focused on risk handling has strong economic roots and consequently has a pro-innovation, pro-change bias underlying it; however, innovation-resistance may well be the more likely phenomenon at work (Ram and Sheth 1989; Sheth and Ram 1987). Had the status quo been given more merit in the first place, researchers might now have a much richer understanding of the complex processes underlying the Endowment Effect.

The Need for Reassurance

That consumers may be unsure of their purchase decisions has been known for decades. Post-purchase dissonance leads to biased search processes that enable us to live with our decisions.
Marketing’s economic roots led us to define consumer search so narrowly that it was not until 1987 that Bloch, Sherrill, and Ridgway noted that those with enduring involvement actively search for information about a product class even when there is no evident need for purchase. Some retailers today still have transaction-based incentive systems that lead to rude treatment of browsers, despite the knowledge that browsers tend to have more enduring involvement and they also tend to be more likely to be sources of word-of-mouth.

The lack of value attributed to post-purchase search may have similarly restrained some marketers from providing reassuring information to consumers indicating that a purchase was indeed good. Eye-camera research (Russo and LeClerc 1994; Smead, Wilcox, and Wilkes 1981) using information display boards has found that many subjects continue to search after a choice is made. However, consumers do not compare favored alternatives to second choices, but to an alternative known to be inferior. Such wasted effort to reassure themselves has absolutely no value from the normative information theory perspective, yet it makes great sense from a maintenance of mental health perspective.

Related to this need for reassurance is the role that justification (to others or to oneself) plays in decision making. Justifying decisions is not included in the processes taught as proper decision making by economists, yet it is a reality in many settings. Further, the knowledge that one needs to justify a decision often changes the nature of the decision made. Consumer research in the late 1960s and 1970s essentially assumed that consumers used tradeoff (compensatory) models, as exemplified by the massive amount of research on the multi-attribute attitude models. The overemphasis on compensatory models across disciplines led to the research on short cuts (decision heuristics) that culminated in Kahneman and Tversky’s Prospect Theory. Certainly many non-compensatory models save time and effort (which fits well with a mental health perspective as to suggest that the majority of cognitive activity actually takes place in post-decision justification: “Rather than actually guiding or controlling behavior, consciousness seems mainly to make sense of behavior after it is executed.” Rather than to acknowledge that a mistake has been made, people conduct selective information search and use biased interpretations to justify previous decisions. Clearly such behavior is suboptimal from a decision theoretic perspective and business students are taught to avoid such behavior. A mental health perspective, however, might provide more understanding of the actual underlying mechanisms and how we can adjust the decision environment to reduce the likelihood of this “sunk cost” phenomenon.

Much consumer research in recent years has found that justification can lead to unexpected behavior (Ariely and Levav 2000; Briley, Morris, and Simonson 2000; Ratner, Kahn, and Kahneman 1999; Simonson and Nowlis 2000). Rather than be surprised, we suggest acknowledging the likelihood of such findings and propose the use of a mental health perspective to investigate the underpinnings of the need to justify.

The Presence of Directed Goals

Kunda’s (1990) Motivated Reasoning notes that cognitive dissonance is really a subset of processes that deal with Directed Goals, not Accuracy Goals. While the early years of Consumer Research (through the 1970s) saw a multitude of studies conducted under the implicit assumption that people have Accuracy Goals, the surprisingly common finding of confirmation biases (Hoch and Ha 1987; Kunda 1990) speaks to the prevalence of Directed Goals. We do search for and interpret information consistent with Accuracy Goals, but in a biased fashion in order to find what we expect (or want) to find. This approach offers the illusion of systematic decision making and adds to our reassurance a good choice was made; however, those approaching the evaluation of decisions with a normative bent frequently find that such processes lead to suboptimal decisions. We argue that the same conclusion would not be the one reached from a mental health perspective.

DesMeules (2002) cites Schwartz (2000) to justify his claim of the Tyranny of Freedom of Choice. He argues that the proliferation of brand alternatives in the marketplace makes consumers depressed and leads to other mental aberrations. Implicitly, DesMeules (2002) makes an assumption of Accuracy Goals, without sufficient recognition that the use of Directed Goals will simplify the process. Baumeister (2002, p. 675) notes that “the complex lives of modern individuals are often organized around stable patterns, habits and routines. Regularity avoids the need for expending the self’s resources on conscious deliberate decisions.” Similarly, consumers regularly use conjunctive models to eliminate many alternatives from the decision set. No consumer looks at all homes for sale; rather consumers use the number of bedrooms, the price range, location, etc. to reduce the number of alternatives to a magnitude that can be handled in a feasible fashion. For most of us, house buying is still the cause of headaches, but it does not push us over the edge.

Information overload can exist and can result in suboptimal decision making. But research in this area is typically conducted using frameworks evolving from an economic mindset investigating accuracy versus effort, not from a framework investigating the steps taken to avoid the stress caused by such complexity.

OTHER PARADIGMS TO CONSIDER

Belk, Ger, and Askegaard (2003) offer Desire as the motivator for much of consumer behavior. Clearly this takes us outside the cognitive, wealth-focused box that has permeated Consumer Research in its formative years. However, Desire can lead to short-run consumptive problems such as those associated with time-inconsistent preferences (Hoch and Loewenstein 1991). Thus, we suggest that Desire needs to be be mediated by a focus on self-control, and this concern for emotional stability leads us to a mental health perspective. Luckily, the literature on self control is expanding rapidly and yielding insights demanding interpretations from non-economic perspectives.

Another paradigm of interest is that of Happiness (Desmeules 2002), which explicitly combines consumer satisfaction with experience. Experience marketing has become a meaningful area of study in recent years, and it does not lend itself easily to analysis through the use of compensatory models. Hoch (2002, p. 457)
cites Oscar Levant as saying, “Happiness isn’t something you experience; it’s something you remember,” and further argues that true experience is encoded in real time, but is then reinterpreted as decisions are rationalized. Loewenstein (2002) discusses the difficulty people have in evaluating the desirability of outcomes and even their own immediate happiness, and argues that we should avoid theories that assume that they do so. We suggest that a mental health perspective would yield far more insight into how post-decision rationalization processes lead to happiness than solely a focus on experience.

A third alternative paradigm might be that of Hirschman’s cooperation perspective. However, we do not see this as inconsistent with a mental health perspective. Park’s (1981) finding that spousal harmony is a major concern in family decision making fits smoothly with a mental health perspective. Further, the best known model for predicting interpersonal harmony is Balance Theory, based on the premise that people want cognitive consistency. It would seem obvious that the need for cognitive consistency is a mental health perspective. Conformity pressures, which are not dealt with well in decision theory, are understandable when one’s emotional stability is concerned. Thus, we see much overlap between a cooperation orientation and the maintenance of mental health.

Our discussion, which provides insight for broadening the scope of consumer decision-making investigation and the investigation of re-interpreting decisions after the fact, admittedly has a clear Western bias. However, we believe that a mental health perspective will have implications for most cultures, but also that the emic definition of “mental health” is not likely to be universal. Thus, the interpretation of findings will be more complicated due to the lack of a standard basis for comparison, an advantage which most decision theoretic contexts enjoy. For example, the ostracization of a child from the family group to his/her own space in an East Asian household is a much more serious punishment in terms of the child’s mental health than a similar action by an American family where the child may be pleased to retreat to a space where he or she can choose his/her own preferred activity.

We see the recent research on self-regulation leading the field of Consumer Research in a very positive direction, as much of it reinforces the notion that the U.S. is Promotion-oriented whereas Eastern cultures are more Prevention-oriented. Aaker and Lee (2001, p. 74) note that most Consumer Research has been conducted with a Promotion focus. A competitive, maximization perspective would seem to fit the Promotion orientation well, but would seem out of place in a Prevention-oriented culture. Further, Heckhausen and Schulz’s (1993) Life-Span Theory of Control argues that the young try to exert behavioral control on their environment, whereas secondary control processes such as reducing aspiration levels, downward social comparisons, denial, and self-handicapping become more common as we age. Stress related to the gap between one’s expectations and the perceived reality may be attacked by young people behaviorally, whereas those older may learn to limit their expectations or to re-interpret their perceived reality to reduce stress. Thus, an assumption of Promotion-oriented, active consumers may be less applicable in the U.S. culture as Baby Boomers continue to age. The more obvious conclusion is that a mental health perspective, especially a collective one, might yield more descriptive insight into how Eastern decisions get made. At the same time, it might be that the Promotion orientation seems to fit the American culture because our research has implicitly assumed that result from the start.

CONCLUSIONS
This paper argues that the study of consumer decision making needs to be broadened beyond its previous cognitive emphasis, which in many ways still reflects, implicitly if not explicitly, normative perspectives taken from Marketing’s economic roots. Hirschman’s (1993) call to consider cooperation as well as competition when confronting consumer decision processes is a point well taken, and one upon which we are expanding. The consideration of the consumer’s emotional stability may shed light on how many decisions are actually made.

The thought-provoking Deighton and Grayson (1995) perspective of marketing as seduction cannot be explained by the axioms of utility theory, yet the authors convince readers that consumers do “volunteer” to be seduced. The adoption of a mental health perspective would make such findings far less unique, as we might be actively investigating how lonely consumers maintain their emotional stability. MacInnis and DeMello (2005) make a strong case for the role of hope in consumer lives; that is “new” given our economic roots, but it could have been old news had consumer mental health been given its rightful place when the discipline of consumer research started.

Researchers bias affects all research efforts. The methods we choose all merit criticism in terms of generating findings supporting research expectations, whether it is through the interpretation of informants’ narratives, the design of a questionnaire, the inclusion of items in a scale, or the presence of demand characteristics in an experiment. We are all fallible and prone to subconscious biases. Let us try to broaden our initial perspectives of the problem so that, despite our human failings, we can muddle through to develop a deeper understanding of consumer processes.

REFERENCES
Aaker, Jennifer L. and Angela Y. Lee (2001), “‘I’ Seek Pleasure and ‘We’ Avoid Pain: The Role of Self-Regulatory Goals in Information Processing and Persuasion,” Journal of Consumer Research, 28 (June), 33-49.


INTRODUCTION

Like many consumers, Don is preparing for a busy day. After working eight hours, he will escort his non-English speaking parents to the airport to catch an overseas flight home from visiting him in the States. Then, he will race to the computer store to buy new accessories needed for a professional meeting the next day. To make decisions within a limited time period. Following Dolinsky and Feinberg (2006) conducted a study with native English-only speakers did not show significant deterioration. Convergent evidence that reliance on written materials caused overload for bilinguals comes from opposite closed-book exam results, wherein longer times correlated with positive performance. Discussion focuses on consumer applications and future research.

STUDY 1 METHOD

Participants

Study 1 examines the performance of twenty-nine students (41% male) in a marketing research class who took an open-book exam. All were of junior or senior class standing at a large public university in the United States.

Bilingualism/First language

In a class exercise, students were asked to note whether they spoke languages other than English, and where they developed their skills. Although it is possible to learn a second language through coursework or travel, in this class all of the bilingual students learned a language other than English at home. Nineteen (65%) of the students originally learned a language other than English from their parents. Four students were fluent in Spanish, and four others in Vietnamese. Five spoke Chinese (three students knew Mandarin, and two knew Cantonese). One student each knew Arabic, Cambodian, Gujarati, Polish, Portuguese and Taiwanese.

Procedure

Students took a multiple-choice exam in which they were allowed access to their textbooks and lecture notes. In addition, they used a course handout that contained formulas to calculate statistics, degrees of freedom, or cell sizes for 13 of the 33 questions. The test, which was written in English, constituted 25% of the overall course grade. The students had 80 minutes to finish.

Dependent Variables

Finishing times were recorded when students submitted their exams. Combined with the test start time, this revealed the number of minutes students used to complete the test. Mean scores are reported as the percent correct on multiple-choice questions.

STUDY 1 RESULTS

It was proposed that students’ use of their non-native language would heighten information processing load such that the availability of external information would be detrimental. If so, then for the bilingual students the time used during the open-book test should be inversely related to their exam performance. As anticipated, the correlation between exam completion time and test score is negative and statistically significant for the students whose first language is not English \( r = -.474, p < .05 \). As predicted, information processing overload was not problematic.
for English-only speaking students. The correlation between the test taking time and grade for monolingual students is not statistically significant ($r = -0.242$, NS).

**DISCUSSION OF STUDY 1**

The results of Study 1 suggest that the more time the bilingual students in the class spent synthesizing information, the worse they performed on the test. This supports previous findings (Dolinsky and Feinberg 2006) that the processing of materials in a non-native language prompts overload and suboptimal choices.

The natural environment in this study makes it impossible to control for extraneous factors that might have influenced the results. For example, an alternative explanation is that the students whose first language was not English had more difficulty comprehending the materials, which prompted them to spend more time and not to do as well on the test. However, the time spent taking the exam was the same for the bilingual and the English-only groups (bilingual $M = 73$, monolingual $M = 72$; $t(27) = 0.28$, NS). If bilingual students comprehend less, we would expect to see lower scores for bilingual than English-only students. Instead, there is no difference in the mean exam scores across the two groups (bilingual $M = 79$ and monolingual $M = 75$; $t(27) = 0.79$, NS). For this open-book test, the average time spent and average comprehension is the same across groups.

It is also possible that insufficient studying efforts caused the relationship between longer test completion times and poorer scores. Yet, if that were the case, the correlation should be strong across both student groups. It should be noted that the small sample of English-only students makes it difficult to establish a significant effect, or to make other meaningful comparisons. (Of course, obtaining a more compelling level of significance with this small sample is possible if the effect is strong enough, as will be seen in Study 2.)

Another fact potentially clouding the data interpretation is that no measures were taken to determine how much students depended upon external materials during the test. For example, although students knew that there would be handouts with formulas for calculating statistics, it is possible that some of them memorized the materials and did not make use of notes or books. Even if all students used the external information, the extent of their reliance is not known. Some insight into this issue can be gained by studying the relationship between completion time and performance for closed-book exams, which prevent the use of external information. That is the focus of Study 2. If the written materials had no influence on the exam 1 results, then the data should be similar for a subsequent closed-book test. If the pattern of results differs, then there is additional support that taking time to read and synthesize the Study 1 materials was detrimental to the bilingual students.

**STUDY 2 METHOD**

Participants
The same 29 students from Study 1 took a second midterm, for which they were not allowed to use books or notes.

Procedure
As in Study 1, the students had 80 minutes to finish a multiple-choice exam that was worth 25% of their total course grade. The second exam covered different course topics, and did not require any mathematics. It appears to have been a bit more difficult than exam 1 as measured in average percentage scores ($M = 72$, SD = 12.8, and $M = 78$, SD = 11.6, respectively).

**STUDY 2 RESULTS**

As for exam 1, the bilingual and English-only groups did not differ significantly in their exam 2 completion times ($M = 74$ minutes, and $M = 43$ minutes, respectively; $t(27) = -2.6$, NS).

While the bilingual students’ exam 1 times and scores are significantly negatively correlated, their exam 2 times and scores are positively and significantly correlated ($r = 0.494$, $p < 0.04$). For students using their second language, spending more time on exam 1 was associated with lower scores, but spending more time on exam 2 was related to higher scores. For monolingual students, the correlation between completion times and exam scores is also positive, and is marginally significant ($r = 0.578$, $p < 0.09$).

**GENERAL DISCUSSION**

A closed-book test seems to “level the playing field” more or less between the bilingual and English-only students. When students were relying primarily on internal already-synthesized information, bilingual students and monolingual students performed equivalently. It is only in the high information setting that second-language processing becomes a burden. The findings of these two studies are consistent with the notion that synthesizing information in a non-native tongue in time-constrained settings may heighten processing overload and, when the information load is also high, decrease accuracy.

One alternative explanation for the data is that the bilingual students had a harder time understanding the course materials, both while studying for the test, and during the exams. If that were the case, then their performance should be inferior to the monolingual students. However, the data do not support this interpretation. As noted in the discussion of Study 1, if bilingual students comprehended less, we would expect to see lower scores for bilingual than English-only students. If anything, although the difference does not reach significance, the bilingual students performed better ($M = 74$ bilingual, $M = 66$ English-only, $t(27) = 1.69$, NS). As shown by their equal (or better) scores on both exams, bilingual students were apparently equally capable of comprehending information when studying for the exam, or during the test.

It is also possible that the course content covered in each exam caused the performance differences. For example, perhaps for “math phobic” students, increased time spent on exam 1 reflected struggling, while increased time on exam 2 reflected thorough and successful memory retrieval. Although it is impossible to rule out exam topic effects, there is no reason to suppose that bilingual students are more math-phobic than their English-only counterparts. In fact, the opposite is often hypothesized. If math phobia had a strong impact it should have influenced the performance of both bilingual and monolingual students. Instead, the long exam time/poor performance relationship was significant only for the bilingual students. Note that even if the Study 1 results are due to the quantitative nature of the test, the findings are applicable to the many settings in which numerical estimations are necessary. These include situations when consumers make price/quality evaluations, choose between loan options, compare interest rates, or make financial investments.

These findings suggest that bilingual consumers face information overload and decision degradation sooner in their non-native than their native language, especially when facing time constraints. Hence, “bilingual Don” described at the start of this paper should not feel pressure to thoroughly process all accessible information during his short visit to the computer store. Even when the information is credible and complete, there is the chance.
that it will hinder optimal decision-making. According to Study 2, synthesizing the material into memory before shopping would take time, but in that case Don’s extra efforts should improve instead of worsen his choice accuracy.

Marketers could help Don by providing him with the option of materials written in his first language. Enhancements in consumer decision-making and post-purchase satisfaction might well be worth the translation costs. Geographical areas that contain a high proportion of recent immigrants, as well as those with visitors from around the world, have already embraced this practice in museum brochures, street signs, and advertisements. In addition to potentially helping bilingual consumers to process information, translations may foster a more welcoming environment.

One might expect that second language use would impose information overload in situations other than reading. Consider the situation in which consumers apply for their drivers’ licenses. The playing field may be leveled when a bilingual person takes the written driving test, which is closed-book. Yet, bilinguals might suffer overload when asked to follow instructions from an English-speaking tester, and while simultaneously reading road and traffic signs in their nonnative language. Similarly, second language speakers may face high information under time constraints when taking notes in lecture, and perhaps when talking with service providers and salespeople.

Previous studies of information processing overload have usually manipulated the number of brands or amount of information per brand. Bilingualism seems to deal with a different dimension, the amount of processing, rather than the amount of information. It would be interesting to try manipulating the processing required, say by degrading the print (similar perhaps to the distortions used by Web sites to see if a person or a machine is trying to enter a credit card number or send email). Another way to test for “amount of processing” effects is to present information to note-takers in a strong accent to see whether these conditions show patterns similar to the second language speakers in the studies presented here.

Future research should test the generalizability of these findings. The same school exam environment could be used to determine whether or not the open-book pattern of results in Study 1 is obtained for non-quantitative exams. Using a larger English-only sample could determine whether monolingual speakers actually have a negative correlation (like non-native speakers) or no correlation between scores and time spent in the open-book situation. Since most students finished well before the 80-minute time limit in study two, it may not qualify as time-constrained even though the students approached the task knowing that there was a deadline. It would be worthwhile to further explore the effect of time constraints on second language speakers given a closed-book decision-making setting. More generally, researchers using laboratory settings can examine overload through experimental time constraints and decision consequences (e.g., through heightened rewards for successful performance on choice tasks) that allow for more control over extraneous variables.

The bilingual/English only dichotomy is a very rough approximation of the cognitive burden placed on bilingual students. The results of this paper might be strengthened if one could show, for example, that students with very high TOEFL scores more closely approximate the results found with English-only speakers. (We thank an unidentified reviewer for this suggestion). Finally, the wide variety of languages spoken by the students in this study brings to mind the question of how overload is influenced by language similarity. Although intuitively it would seem that languages with common roots would be easier to process, resemblances may also prompt confusion, or overconfidence. In sum, there are many ways to extend upon this work.

The amount of information available to consumers in decision-making settings is growing, and population diversification is increasing. It is hoped that this research encourages more investigations of bilingual overload in time-pressured and decision-consequential settings.

REFERENCES


Social Value Orientation as a Moral Intuition: Decision-Making in the Dictator Game
Gert Cornelissen, Universitat Pompeu Fabra, Barcelona, Spain
Siegfried Dewitte, Katholieke Universiteit Leuven, Belgium
Luk Warlop, Katholieke Universiteit Leuven, Belgium

The types of consumer decisions studied by social marketers often have a social dilemma-type structure. They involve a conflict, either between pursuing the collective interest (e.g., avoiding environmental degradation by buying eco-friendly laundry detergent or by using public transport rather than one’s own car) and one’s personal interest (e.g., buying a cheaper non eco-friendly laundry detergent or the comfort and flexibility of taking one’s own car), or between one’s delayed self-interest (e.g., eating a healthy salad and a piece of fruit as a snack) and one’s immediate self-interest (e.g., eating a pizza and a chocolate mousse for dessert). We studied the decision-making process in such situations in which self-interest conflicts with the collective interest. Based on the findings, we propose some public policy recommendations for the promotion of social desirable, or social responsible consumer behaviors.

In this context of social dilemmas, social value orientation (SVO) is a heavily studied concept (e.g., Van Lange et al., 1998; e.g., Mark Van Vugt et al., 1995). It categorizes people according to preferred patterns of outcomes between the self and others in interdependence situations. Commonly used categorizations distinguish people who are cooperators, individualists, or competitors. Cooperators (or pro-solics) prefer to maximize group outcomes and equality in outcomes. Individualists and competitors (or pro-selves) prefer to maximize personal outcomes. Van Lange, De Bruin, Otten, and Joireman (1997b) argued that these tendencies develop during our lifetime through experiences with interdependence situations. The analogy with moral intuitions, which, according to Haidt (2001), are automatically activated moral judgments that develop through social and cultural interactions, made us expect that these social value orientations may be automatically activated preferences for pursuing the public interest versus pursuing the self-interest.

This idea contrasts with the commonly held belief that pursuing the self-interest is an automatically activated goal (van den Bos et al., 2006), and that engaging in pro-social (consumer) behavior requires some kind of cognitive operation. We hypothesized that this would be true for pro-selves, but not for pro-solics. On the other hand, we expected that if decisions would be based on a more elaborated thinking process, pursuing the self-interest would be a salient motive for all people. We attribute this to the fact that behaving selfishly has become a social norm in our society (Miller, 1999) and that private costs and benefits are more salient than public costs and benefits (Rothschild, 1979; Warlop et al., 2003) when thinking about outcome distributions.

A series of four studies, in which Dictator Games were played as a simulation for decision making in real life social dilemmas (like consumers’ conflicts between pursuing collective or private interests), supported these hypotheses. In a Dictator Game two participants are paired. One of them receives an amount of money and is instructed to divide the money between himself and his partner. The size of a dictator’s “donation” is a measure for cooperation level, or the degree to which one is motivated to pursue the collective interest. We showed that decisions to pursue the collective interest are the result of a two-step process. In an initial, automatic and intuitive step, participants anchored their donations according to their social value orientations. We elicited such intuitive decisions using a distraction manipulation, which existed of asking half of our participants to remember a 7-digit number. Pro-solics intuitively tended to support the collective interest to a larger degree than pro-selves. In a second step, in which dictators think more elaborately about the decision at hand, both pro-solics and pro-selves tended to benefit their immediate self-interest.

Additionally, we showed that the automatic effect of social value orientations is partly due to a differential perception of the closeness of one’s relationship with the interaction partner. Pro-solics chronically feel “closer” to anonymous other people than pro-selves. This is, at least partly, the reason for their intuitive tendency to value collective interests. Interestingly, we also showed it is possible to influence such perceptions and the resulting automatic decisions. By making people feel “closer” to their interaction partner, donation sizes increase if the decision is made automatically, but not when it is contemplated more elaborately.

The present results may offer new perspectives on the way social marketing strategies may reach their objectives of promoting behavior that benefits the collective interest (like consumer decisions supporting environmentally friendly products, fair trade or items produced in circumstances in which human rights are not violated) or individual’s long-term self interest (e.g., eating healthy, abstaining from smoking or consuming illegal drugs). They suggest that techniques, which activate people’s pro-environmental, ethical, or health values, while preventing them from contemplating extensively on a current decision, could be efficient tools to achieve these goals. Obviously, being able to activate such values implies that these values need to develop first, and in this respect traditional social marketing techniques based on argumentation and education are indispensable. Based on our results we propose, however, that the motivation to contemplate should be minimized on the moment actual decisions are made, since a thinking process tends to result in people pursuing their immediate self-interest.

REFERENCES


author. (2007). Whatever people say I am that’s what I am: Social labeling as a social marketing tool: available at SSRN.


EXTENDED ABSTRACT

There is no doubt that the Internet has become a significant shopping channel. As more and more consumers visit the Internet to shop, researchers have explored some characteristics of the Internet to observe their influences on consumer behavior, especially information search behavior while shopping online. Although prior research explains many aspects of consumer behavior in the online context, less is known about how consumer information search behavior varies depending on gender and product categories in the shopping process online.

Profound research has centered on gender differences in various perspectives. First, the selectivity model (Meyers-Levy 1989; Meyers-Levy and Maheswaran 1991; Meyers-Levy and Sternthal 1991) suggests gender differences in information processing: females are more likely to be comprehensive processors, whereas males are likely to be selective processors. Second, researchers have shown gender differences in goal orientations and their influence on information processing. Carlson (1971) said that men are more likely to be guided by agentic goals, whereas women may be guided by communal goals. Besides, males are said to be independent or assertive (Venkatesh and Morris 2000), while females are more aware of other’s feelings and concerned with group harmony (Briton and Hall, 1995). In this regard, Brannon (1990) suggests that females are generally more willing to share personal information and change their behavior through interaction with others than males. Lastly, several researchers addressed that in the online context, females are found to perceive greater risks toward online purchasing. Previous studies state that males would perceive the characteristics of online shopping more favorably than women (Slyke, Comunale, and Belanger, 2002), whereas females are less willing to purchase online and spend less money than men (Allen, 2001).

Not only personal factors, but also product characteristics are found to influence consumers’ intention to shop online influenced by the perceived risks. In the online environment where direct touching or feeling products are limited, Kargaonkar, Silverblatt and Girard (2006) said that the perceived risks are greater for experience goods than for search goods. Therefore, consumers are less willing to purchase experiential products, whose qualities a consumer has difficulty of determining prior to purchase (Nelson, 1974), on the Internet (Kargaonkar and Wolin, 2006).

Based on these findings from previous studies, we hypothesized gender differences in information search behavior in the shopping processes online. Specifically, we observed gender differences in the variety of information search and the use of interactive decision aids, such as customer reviews and an assistant agent, considering product categories.

For a better predictability of results, we observed consumers’ actual shopping behavior online by analyzing clickstream data collected from one of the most popular online retailers in Korea. The clickstream data includes all records of pages customers viewed during a month from July 1 through July 31 in 2006. We went through several steps of preprocessing to make the data usable for our research. Then, we compared the number of product pages visited, the number of clicks on customer reviews and an assistant agent in a session between males and females.

According to the results, compared with males, females tend to search for various information including both product and customer reviews and use an assistant agent more in the online shopping process. Consistent with the selectivity model (Meyers-Levy 1989; Meyers-Levy and Maheswaran 1991; Meyers-Levy and Sternthal 1991), the results imply that females are more likely to be comprehensive processors than males in the online environment as well. Based on previous studies on perceived risks in the online context, we also expected the interaction effect of gender and product categories on consumer information search behavior in the online retailers where physical contact with products or services is limited. Actually, females read customer reviews and used an assistant agent more when shopping for experience goods than when shopping for search goods. On the other hand, males showed no significant differences in information search depending on product categories. This implies that the influence of product characteristics on consumers’ information search differs according to gender.

The findings of the present study have significant theoretical implications. Foremost, unlike most behavioral studies that examined consumer’s perception or attitudes, this article has observed actual behaviors by analyzing data derived from a popular online retailer. Therefore, by keeping track of every behavior in the shopping process, the present research is helpful in more accurately predicting consumer behavior in the online context. Besides, the present research expands theorists’ understanding of online consumers in terms of both personal factors and product categories.

Direct observation also helps practitioners apply the results directly to their online retailers. Considering the evidence that females perceive greater risks toward online shopping, practitioners should improve more reliable online retailers by providing various information sources, such as customer reviews. Our research also suggests that consumers’ desire for interactive experiences differs according to gender and product categories in the online context. We recommend that online retailers furnish various interactive website features, such as real-time interaction with salespersons, to make the online shopping experience comparable to the traditional shopping experience especially for females who shop for experience goods.

REFERENCES


Kargaonkar, P. K., & Wolin, L. D. (1999), A Multivariate


Facebook: Making Social Connections
Micael-Lee Johnstone, Victoria University, New Zealand
Sarah Todd, The University of Otago, New Zealand
Adeline Phaik Harn Chua, The University of Otago, New Zealand

Considerable research has been devoted to online communities and consumers’ anonymous participation in these sites but research in the area of social networking sites has only begun to attract attention. The aim of our study was to explore how and why consumers incorporate social networking sites into their daily lives. Our findings revealed that friendships are being managed both online and offline, although they are not mutually exclusive. More importantly, we propose that the Facebook environment is no different to the offline environment in terms of one’s need for acceptance and social affiliation.

EXTENDED ABSTRACT
With the proliferation of websites worldwide, it is becoming widely accepted that consumers are shifting their daily activities from offline environments to online environments (Toder-Alon et al. 2005). Consumers are not only using websites for information gathering, entertainment, communication and online shopping but they are also using it to share ideas, make friends, and build communities (Kozinets 2002). Hence, the constant interaction between websites and online users makes the website a solid part of consumers’ daily lives (Maulana and Eckhardt 2007, p228).

As Healy (1996) asserts, the Internet presents a kind of ‘middle landscape’ for consumers because individuals can satisfy their needs for both separation and connectedness.

The aim of our study was to explore how and why consumers incorporate social networking sites, more specifically Facebook, into their daily lives. Considerable research has been devoted to online communities and consumers’ anonymous participation in these communities (e.g. Turkle 1995; Kozinets 1997; Valentine and Holloway 2002; Schau and Gilly 2003; Carter 2005) but research in the area of social networking sites has only begun to attract attention (e.g. Valkenburg et al. 2006; Boyd Thomas et al. 2007; Walther et al. 2008).

THEORETICAL FRAMEWORK
Social identity theory (SIT) is a useful framework to use when exploring social networking sites such as Facebook. It has been defined as ‘those aspects of an individual’s self-image that derive from the social categories to which he perceives himself belonging’ (Tajfel and Turner 1986, p16). As Ashforth and Mael (1989) state, people tend to classify themselves and others into social categories, which can be based on a number of factors such as age, gender, religious affiliation and so on. This categorization process serves two purposes. Firstly, it enables one to define others because it provides a systematic means of segmenting and ordering the social environment. Secondly, it enables one to locate or define oneself in the social environment (Ashforth and Mael 1989, p21), hence providing a partial answer to, “Who am I?” type questions (Turner 1982).

Within a social networking site one automatically makes decisions about who to accept or ignore, and which networks to join. Interestingly, Hogg and Abrams (1988) suggest that social categories actually precede individuals because individuals are born into an already structured society. Hence, once individuals enter society, individuals develop their identity or sense of self mostly from the social categories that they all ready belong to. One could therefore suggest that Facebook also has pre-existing categories because Facebook users already have knowledge about the individuals that they choose to invite.

METHOD
Our exploratory study employed an interpretivist methodological approach because we were interested in exploring our participants’ lived experiences (Crotty 1998). Using the snowballing technique, whereby each interviewee is asked by the interviewer to recommend other potential participants for the study (Spreen 1997), purposive sampling took place. However, to avoid possible network bias, we used multiple starting points when recruiting participants (McMahon 1995). Fourteen participants ranging in age from 22 – 38 years were recruited; comprising of five males and nine females, and they were regular Facebook users. Interviews varied in length ranging from 45 minutes to two hours, and were semi-structured. During the analysis phase, thematic analysis was used to analyze the texts. This was initially performed individually but later all researchers discussed and resolved issues of disagreement. The goal of the analysis was not to seek a single truth, but rather to ensure that the data was trustworthy, and the interpretations plausible (Wallendorf and Belk 1989).

EMERGING THEMES
Several themes emerged from the data but due to the paper constraints, only one theme will be discussed: Making Social Connections, which can be defined as the social dimensions of Facebook; those factors that link people to each other whether they are direct interactions, e.g., the Facebook user interacts with another Facebook user, or indirect interactions, i.e., the Facebook user browses another Facebook user’s profile.

Some researchers have surmised that Internet users are becoming increasingly removed from meaningful social relationships and as a result are spending less time with their offline community (Stroll 1995; Davis 1999) – our study would indicate otherwise. We found that social networking sites, such as Facebook, made it easier for people to manage their offline friendships, as well as reconnect with friends from the past.

Secondly, we propose that Facebook consumption benefited our male participants more because they were able to get a closer glimpse of their friends’ lives, than they normally would have in a face-to-face encounter. Traditionally, it has been widely accepted that there are differences between how males and females communicate (e.g. Tannen 1994). However, we would argue that social networking sites, such as Facebook, enable some people to communicate more openly and freely than they normally would, regardless of language barriers or gender differences.

Thirdly, we propose that the Facebook environment is no different to the offline environment in terms of one’s need for acceptance. As SIT contends, individuals are constantly trying to maintain a positive social identity, which should lead to positive evaluations of the self. The need to validate a positive aspect of oneself via group membership is one way to achieve this. When some participants invited individuals to be their friends on Facebook, there was a degree of apprehension in terms of whether the invitation would be accepted or not. The fear of rejection ties in with one’s need for affiliation. When one invites someone to be a friend, one makes this decision based on pre-existing social
categories to which that person is perceived to belong. Consequently, when an individual is not accepted into a group it can affect one’s self-esteem and sense of belonging in society. At the same time, maintaining positive self-evaluations was also evident when it came to accepting invitations. Participants didn’t want to appear “mean” by rejecting new contacts, so they would reluctantly add these contacts to their social network despite knowing they would probably never meet and/or socialize with these people in person.

REFERENCES
Kozinets, Robert V (1997), “‘I want to believe’: a netnography of the X-phenix’s subculture of consumption,” Advances in Consumer Research, 24, 470-475.

Walther, Joseph B, Brandon Van Der Heide, Sang-Yeon Kim, David Westerman and Stephanie Tom Tong (2008), “The role of friends’ appearance and behavior on evaluations of individuals on Facebook: Are we known by the company we keep?” *Human Communication Research*, 34, 28-49.
Souvenir Purchase Decision: Effects from Online Availability
Lisa J. Abendroth, University of St. Thomas

EXTENDED ABSTRACT
The growing presence of Internet commerce is changing the retail landscape in more ways than one. Shopping in one’s home region, consumers typically have plenty of opportunities to frequent both physical and online stores. However, when shopping in a distant location, consumers face a different situation. Typically, the purchase opportunity is limited to the time spent at the destination, and during that time consumers only frequent physical stores. However, retailers in tourist destinations are increasingly developing websites that extend the purchase opportunity well beyond the trip’s end. While this may be perceived as providing convenience to consumers, retailers also hope that it will increase sales, as tourists may make additional purchases after they’ve returned home. However, it is not clear that adding a website is always beneficial. The goal of this research is to examine how changing the nature of the purchase opportunity by mentioning a website affects decision-making while on vacation and again after returning home.

Research on souvenirs has found that tourists are more likely to purchase items that are evaluated highly on unique or aesthetic properties (Kim and Littrell 2001). Research also finds that tourists are motivated not to go home empty handed (Tumbat 2003). But perhaps there is also something inherently different about the purchase situation at vacation destinations. Specifically, if souvenirs are only available at the destination, that limitation might affect the way tourists process information when making a purchase decision.

Limiting a purchase opportunity to one’s time at a destination can be viewed as a type of scarcity, and as such can be expected to increase the perceived value of an item (Cialdini 1993). However, in addition to monetary value, souvenirs also have reminder value (Love and Sheldon 1998; Tumbat 2003). Because making an item available anywhere at anytime should weaken the association between the item and the destination, I predict that reminder value should be greater when an item can only be purchased at the destination. I further expect this increase in reminder value to heighten purchase intentions just as monetary value does in other scarcity contexts.

Tourists may also perceive a forfeiture situation when the purchase opportunity is limited to a specific time and place. As a result, nonpurchase may lead to feelings of loss and regret (Abendroth and Diehl 2006). While loss aversion may play a role in the initial purchase decision, nonpurchases tend to be regretted more than purchases after the opportunity has passed, reversing the omission bias. If and when a later purchase opportunity arises, I predict that the intensity of long-term regret associated with nonpurchase should lead to greater purchase intentions. I also expect that reactance caused by the earlier limitation may lead consumers to pursue limited items with greater determination.

Two experiments were conducted using scenarios to simulate a souvenir purchase decision on a trip to Hawaii. I manipulated item type (Hawaiian-styled coral or classic-styled pearl necklace) and website availability (presence or absence of a website for later purchase), and then measured purchase intent, attitudes toward the souvenir, and regret. The findings indicate that purchase limitation increased initial purchase intent by increasing the souvenir’s reminder value, regardless of item type, while the item’s monetary value was unaffected by the temporal limitation. This finding is significant for two reasons. Within the scarcity literature, it suggests that a new and qualitatively different type of valuation exists and is affected by scarcity. Within the souvenir literature, it identifies a mechanism – limiting purchase to the location – for increasing an item’s reminder value.

The findings also replicate previous research (Abendroth and Diehl 2006) that limiting a purchase situation acts to reverse the omission bias (Kahneman and Tversky 1982), as here nonpurchases (inaction) were regretted more than purchases (action). However, I also find that post-purchase, inaction regret increases later purchase intentions, especially if the later purchase opportunity represents a release from a previous limitation. This finding is interesting in that it is behaviorally opposite to inaction inertia (Tykocinski, Pittman, and Tuttle 1995), but is driven by the same underlying mechanism, that is regret minimization.

In addition to the above theoretical contributions, this research also has managerial implications for retailers in tourist destinations. While I found that attitude toward the retailer and salesperson decreased when the purchase was limited to in-store only, I found no correlation between these attitudes and purchase intentions. Further, because tourists by their very nature are less likely to become repeat customers, destination retailers should focus more on increasing sales rather than improving attitudes. While I am not advocating that destination retailers abandon or forego developing websites, the results do suggest that retailers with websites may want to be more subtle in the way they promote them. One approach would be to inform tourists about their website only after the purchase decision has been made. In this way, the retailer can attract future business without deterring purchases on location.

REFERENCES


SPECIAL SESSION SUMMARY
Contesting and Creative Consumption: Past to the Present, National to the Individual
Session Chair: Ruby R. Dholakia, University of Rhode Island, USA

ABSTRACT

Consumption, institutions and strategic agency
Biswatosh Saha, Indian Institute of Management, Calcutta

Consumption as a phenomenon is under increased attention and I argue that shaping up of consumption is an institutional act. It has agency. I use narratives around episodes of contests among multiplicities of agencies to interpret institutional contests, showing that forms and modes of consumption correspond with forms of organization of production. An agency on the production side therefore has an interest in subversions in the consumption sphere. To understand this connection requires us to look beyond the tools and concepts of economics.

In mainstream economics, consumers have been seen as individuals with an ‘ordered preference’ for commodities, entering the market as demand generators and attention has been focused on transactions based on price and notions of ‘clearing markets’. Consumer freedom as well as consumer choice remain delimited largely within a price-theoretic framework (Harvey et.al, 2004). Although severely criticized, it has been a fairly satisfactory account of the state of affairs from the supply side. Managerial practice has also reflected this, and consumers have been neatly bundled together into simple segments and categories – in what is a more refined delineation of the preference ordering of goods. The phenomenon of consumption, however, is much richer in meaning. Contributions from the wider social sciences have created a vast breach between the simplistic representation in the economics traditions and the richer description grounded in sociology and ethnography. This paper attempts to locate itself in that breach.

Acts of consumption, mediated through price based market transactions, require a-priori agreement on the notion of a ‘good’, as emphasized by the Austrian school (Menger, 1976). I argue this is an important notion with several implications. Firstly, in the context of significant separation (spatial and temporal) of consumption and production, reification of attributes requires coordination. Agencies in market that achieve this ‘feat’ of coordination – the capital at work – therefore, has a specific structure, and the specificity of the structure or capital is linked here to the specificity of the ‘quality’ (Callon, 2002) or ‘attribute’ over which coordination is achieved as a ‘feat’. The coordination enjoyed by the reified attribute, thus, also has the notion of an ‘institutional asset or capital’ (Savage et. al., 2005), which has to be built, nurtured and protected. This scheme lends itself to visualizing differences in capital (or multiplicities of capital) as manifested in differences in qualities over which the ‘feat’ of coordination is sought. So implicitly I move away from the dichotomy proposed in neo-liberal schemes of economics or its opponents, since my enquiry is on the primitives of the formation of a price-based market.

But how are such institutions shaped? I argue that a practice-based perspective on consumption (Warde, 2005, 2007) offers several possibilities. Practice is in the domain of the pragmatic and hence infused with agency and with contests for power. It opens up for critical enquiry at several levels including several layers of agency and strategic action. Consumer, in this description, has an agency that is stronger than the price-based choice in an economic model; in some sense there is an active shaping of consumption through participation in a practice. The producer also enjoys a possibility of shaping the institutions of consumption along with broader social forces. Producer strategies, through institutional subversion, can lead to changes in the institutions of consumption and undermining rival forms of production.

Institutional links between the changes in consumption and production processes are shown through an analysis of the contemporary attempt at transformation of consumption of food in India, in the back drop of concurrent yet contrasting processes in Europe. Such changes also involve complex processes of contests, mediated often through regulatory functions of the state in highly politicized processes – that can constitute the ‘materiality’ of contests. This also brings out a neglected dimension of strategic acts on the part of producers. I argue for a linkage between processes of production on the supply side and the sphere of consumption not through price based tools of economics, but through strategic agency of institutional contest.

Consuming Nationhood: Understanding the Role of Consumption in the Construction of Indian Nationhood
Rohit Varman, Indian Institute of Management Calcutta

Several studies in the past have emphasized the role of consumption in the construction of consumer identity (Belk 1988; Ritzer 2004). According to these scholars, consumption plays an important role in constructing consuming subjects. However, the construction of national identity through consumption processes is an under-researched area in consumer research. In this study, I examine the role of consumption in the construction of nationality through a historical analysis of the relationship between consumption and nationhood in India to show that consumption
objects are infused with social, economic, and political meanings that emerge from the nation’s experience of colonialism and globalization. These meaning laden consumption objects, in turn, have become simultaneous markers of colonial hegemony and the nationalist resistance to it. This dialectical interpretation situates consumption objects as important symbols of transition in the history of Indian nationhood.

A historical analysis of India’s nationalist movement helped me to understand the usage of consumption objects as symbols of nationalism in pre-independence India. I studied an activist organization called Azadi Bachao Andolan, which has been championing the boycott of multinational goods in the northern part of the country. I conducted phenomenological interviews with the key activists in the organization. I conducted a hermeneutical analysis and employed an iterative process of linking emergent tropes with relevant theories (Thompson 1997). I also conducted content analysis of Nai Azadi, which is a journal published by the organization, to develop insights into the discursive practices employed by Azadi Bachao Andolan.

My findings show that consumption constitutes an important site of struggle in the nationalist and neo-nationalist movements. Consumptionscapes, influenced by historical transitions brought about by British colonialism and the recent integration into the global economy, are arenas infested with contested interpretations of authenticity, tradition, and patriotism. These infusions have been impelled by threats of cultural and economic displacements in these two periods of Indian history (Panikkar 2006). The British imperialism was characterized by India being reduced to a producer of primary products and consumer of imported manufactured goods. This international division of labor led to a center-periphery relationship within the British empire (Bagchi 1982; Wallerstien 1974), and contributed to the destruction of the local industry (Habib 1995). The economic displacement caused by being reduced to a colonial appendage impelled the first wave of emphasis on consuming Indian products and boycotting British consumer goods (Bayley 1986). The organized Swadeshi and Civil Disobedience Movements are illustrations of the influence wielded by consumptionscapes in the construction of Indian nationhood. The fear of economic drain and cultural hegemony were important bases of these struggles and played a defining role in giving a distinctive political character to consumption objects (Goswami 1998; Panikker 2006).

The legacy of colonialism continues to define the current debate on globalization in India. The neoliberal integration of India into the global economy has again created fears of colonialism in the country and is spurring a resurgence of oppositional neo-nationalist movements (Bardhan 2003). Azadi Bachao Andolan represents one such oppositional activist organization that is resisting globalization by encouraging consumers to boycott multinational products and by promoting local goods. In this discourse, consuming global is represented as anti-national and unpatriotic. The local products are privileged by infusing them with values of authenticity, tradition, and patriotism. Thus, consumptionscapes continue to shape the ongoing debate about nationalism in India.

In summary, I add to extant consumer research by offering insights into the role of consumption in building national identity in India. This elided relationship between consumption and national identity is essential to understand the current debates on globalization, resistance to multinationals, tradition, and authenticity in consumer research.

---

**Consumers, Co-Creators, Hackers and Resisters:**

Nikhilesh Dholakia, *University of Rhode Island, USA*
Julianne Joy Cabusas, *University of Rhode Island, USA*
Caroline Wilcox, *University of Rhode Island, USA*

Within a few months of its introduction in the U.S. market, hundreds of thousands of “unlocked” units of Apple’s iPhone were being in Asia and elsewhere (Greene 2008). The unlocked iPhones could command price premiums in vast swaths of global markets where iPhone service was not yet available but people wanted to buy and use this iconic brand (Zheng 2008). Consumers in emerging markets—who, when compared to the advanced nations, are often less constrained by legal frames and more stridently desirous of being in the front ranks of iconic global brand consumption—seem quite willing to wrest many aspects of the brand consumption experience from the brand authorities (Eckhardt 2004).

In this paper, we conceptualize this and related phenomena as techno-savvy acts of resistive consumption—where consumer or other non-corporate actions subvert the neatly laid timelines and storylines (Boje 2001) of iconic brand-owning corporations (Belk and Tumbat 2005). In the case of Apple’s iPhone, via acts of co-creation (the creation of the unlocked phone), hacking (unlocking is totally unauthorized by Apple and the company has big warnings about it), and resistance (hackers and consumers are saying to Apple: “We love your product but we are not going to be at your mercy and your slaves in terms of your timetable for introducing the iPhone in our country”), Asian consumers started partaking of the highly sought “brand sacrament”—the iPhone—without waiting for approval from the brand’s high priests (Muniz and Schau 2005). The neat plot lines for the global iPhone story, being laid in the Silicon Valley headquarters of Apple, got derailed by the antenarratives (Boje, Rosile and Gardner 2004) emerging from the alleyways of Shanghai.

This paper explores this and similar other examples of techno-savvy brand resistance. Starting inductively from the stories of techno-savvy resistive consumption, we develop a theoretical framework to capture, explain, explore, interpret, and understand processes of technology consumption, co-creation, hacking, etc. Such phenomena play out at the edge of the orderly and decorous arenas of brand marketing and are sometimes capable of subverting well laid-out corporate brand strategies. Effortless global social networking via the Internet (Bernoff and Li 2008) aids in the propagation of acts of resistance and subversion. In representational terms, such acts can be conceived as ways of democratizing of innovation (von Hippel 2005) or as illicit behaviors of renegade consumers.

In theoretical terms, the actual and conational resistive acts (unauthorized technology consumption, rebellious co-creation, hacking, and defiant social networking) intersect with the representational acts (narrating, supporting, celebrating, or berating the rebellious and resistive deeds) to expose the vulnerabilities of an iconic brand. In this unkempt discursive space, there are opportunities for consumers to exercise some control on the highly orchestrated brand marketing processes of major corporations. For the corporations, such spaces could offer innovative product marketing ideas but they also represent fraying of the fabric of brand integrity and brand control. Our framework outlines the relationships between opportunity spaces of consumers and brand owners, as they emerge and evolve at the intersection of consumer resistance and representations of it.
Co-Creation as Consumer Resistance and Marketer Co-optation

Ruby Roy Dholakia, University of Rhode Island, USA
Adriana M. Boveda-Lambie, University of Rhode Island, USA
Co-creation, as a form of consumer resistance, is not new. As standardized products have grown, so has the opportunity for consumers to buy existing products and modify them to suit their specific custom needs. Customers are embracing a more active role in production, it is argued, due to a growing suspicion and distrust of the organized marketing process and its ability to fulfill customer needs. Empirical studies seem to suggest that between 10 to 40 percent of users engage in developing or modifying products across many fields (von Hippel 2005).

The interpretive marketing literature offers a broader perspective of co-creation suggesting that a fundamental characteristic of the postmodern era is the reversal of the production and consumption process with the customer usurping the privileged status previously accorded to the producer (Firat, Dholakia, and Venkatesh 1995). In the past, research in customer participation has mainly focused on the service arena; recent technological advances and competitive realities are creating opportunities for customer participation in the production of goods as well (Roberts, Baker, and Walker 2005). Furthermore, technological connectedness is allowing collaborative co-creation among consumers.

These developments are not going unnoticed by producers. At the marketing practice level, customers are being encouraged to submit new ideas by a growing number of companies. Examples include Lego sets designed by consumers as young as 9 years of age, sponsored advertising competitions such as the 2007 Super Bowl Doritos TV commercial or the package design competition sponsored by Pepsi on Facebook.

O’Hern and Rindfleisch (2007), drawing from the creativity literature, have categorized customer co-creation on two dimensions: customer autonomy (from the firm) and connectedness (defined as customer-to-customer ties). The following typology of customer co-creation was identified: (1) Collaborating, (2) Tinkering, (3) Designing, and (4) Sharing. O’Hern and Rindfleisch (2007) also believe that to become a successful collaborator the user should possess high levels of skill and knowledge.

In this paper, we present a framework to examine the conditions that determine customer participation in co-creation and the conditions that facilitate company co-optation. The motives, nature and extent of the customer involvement in co-creation appears to be contingent on a host of factors (Kalaignanam and Varadarajan 2006). Product, market, customer, firm and task characteristics are examined to determine the nature of customer co-creation as well as the likely outcomes of the co-creation process. For instance, customers with greater skill and knowledge are likely to demand greater control over the production of their goods and services (Firat and Venkatesh 1993). However, these consumers are likely to be limited in number, creating opportunities for businesses to leverage technology to involve customers as co-producers. Thus, conditions can be created where customers with varying degrees of skill can participate in the co-creation process but the degree of control and the nature of relationship between the consumer and the marketer will also vary.

REFERENCES:


SPECIAL SESSION SUMMARY

Never Alone: Product Choice in A Complementary World

Session Chair: Kristin Diehl, University of Southern California

Much research in consumer behavior has focused on selecting one product from a set of similar substitutes, trying to understand decision processes within a single product category. However, in a retail context even when planning to buy only from a single product category, consumers are confronted with other product categories that may be explicitly bundled, functionally related, or even merely adjacent to the target category. The presence of other products may have important implications on a variety of decision processes and behaviors that are not well understood yet.

In particular the three papers in this session investigate how the presence of other products affects how much and in what order information is acquired, to what degree products are valued differently in such settings and which products are purchased. Further, the papers span a diverse set of contexts ranging from consumers dealing with functionally related products to facing products that are merely physically adjacent. Purchase decisions under consideration take the form of buying multiple items of one’s choice, or having to decide whether to buy a preset bundle of items. As such these projects investigate related yet complementary research questions that are highly relevant to today’s market environments.

The work by van Herpen, Diehl and Poynor examines how consumers shopping for a single target product are affected by the presence of complementary or even irrelevant items. Their research finds that organizing products with such products distacts consumers, increasing decision time and perceived effort. This distraction occurs across different physical arrangements and is not due to detailed examination of complementary products. At the same time, a target item surrounded by complements is perceived as attractive and inviting, suggesting that the negative effects on information processing may be offset by creating an engaging, affectively positive experience.

Relatedly Goldsmith and Dhar investigate how consumer’s construal level influences the number of items a consumer purchases when presented with multiple adjacent-category offerings. Since abstract construal levels activate higher order goal, a greater number of adjacent products is suited to reach that broader goal leading consumers to purchase more adjacent products. Under a more concrete mindset, however, fewer items are suitable to reach that lower level goal and thus a smaller number of adjacent items will be purchased. Further the authors show that being in an abstract mindset only increases the number of goal-relevant purchases but has no effect on goal-irrelevant purchases.

Finally, Pracejus, Popkowski Leszczyc, and Shen examine consumers’ purchase decisions for product bundles, specifically for bundled items that differ in the extent to which consumers are certain about their value. They find that participants consider the more certain item first, regardless of its importance or price. Further the retail price of the certain item, taken as a proxy for value, impacts how the less certain product is valued. However, the opposite is not the case.

Taken together, this session provides new insights for a range of research areas such as context effects, assortment size and structure, or the effects of retail environments.

Arranged to Distraction: How Categorizing Products with Complements versus Substitutes Alters the Experience of Product Choice

Erica van Herpen, Wageningen University
Kristin Diehl, University of Southern California
Cait Poynor, University of Pittsburgh

LONG ABSTRACT

Websites such as www.furniture.com organize their assortment either by product type (i.e., dining tables) or by collection (i.e., full dining rooms with tables, chairs, sideboards, etc.). Likewise, clothing stores either present products in sets of substitutes or as part of entire outfits. These examples represent fundamentally different ways in which marketers organize products, in either taxonomic categories or consumption constellations. Although we know that consumers are influenced by the order and format in which alternatives are presented, prior research has mainly focused on sets of substitutes (e.g., Bettman, Luce, and Payne 1998) or on purchases of entire product bundles (Harris and Blair 2006). As a result, we know much about the influence of substitute products in an assortment, but relatively little about the influence of categorizing complementary products alongside the target item. Our research compares consumption constellations (Englis and Solomon 1996; Lai 1994) to more typical presentations of separating products by product types and identifies both drawbacks and benefits for consumers.

Complementary products can distract consumers who plan to buy a single target product. They may complicate search, as the cluttered environment obscures rapid identification of specific target products (Bravo and Farid 2006). As such, complements may raise the effort involved in shopping simply because they compete for attention (Janiszewski 1998) and thereby increase the difficulty in remembering and comparing target products. For complements to act as distractors it is not necessary that consumers actually effortfully search complementary products or consider them at all relevant to their purchase goals (Perruchet, Rey and Hivert 2006). We predict that the mere presence of complementary items in a display will mentally distract consumers from their target product, therefore increasing decision time and difficulty but not necessarily time spent actively processing complements.

However, presenting targets within consumption constellations may also generate positive outcomes. Compared to substitute-based organizations, consumption constellations may encourage greater visualization of product use (Dahl and Hoeffler 2004). Furthermore, consumption constellations may highlight new uses for the target product and its complements which a categorization with substitutes would not suggest. As a result, we predict that consumers’ satisfaction with the assortment as a whole should be higher when items are externally categorized with complements rather than only with substitutes.

In Experiment 1, 82 participants were randomly assigned to either a substitute or a complement organization, in a 2-group design. Stimuli were clothing brochures, with products from 8 taxonomic categories. Participants were asked to choose a shirt. In line with our predictions, participants in the complement condition experienced higher decision effort, more difficulty to grasp the selection, and more confusion than participants in the
its ecological relevance, relatively little research has been devoted to exploring how consumer decision processes may change purchase considerations of other products in adjacent categories. The current project makes an initial attempt to explore how a consumer’s construal level will influence the number of items a consumer purchases when presented with multiple adjacent-category offerings. Construal level theory (CLT) argues that consumers may form different representations of the same stimuli (e.g., products), based on psychological distance. CLT posits that when psychological distance is greater, a consumer will have a more abstract construal, characterized by higher-level representations of the stimulus, focused on central features (Trope and Liberman 2003). To that end, we argue that an abstract mindset will cause consumers to perceive adjacent products in terms of their relationship to higher order goals (e.g., oral care). Conversely, CLT states that when psychological distance is reduced, consumers form a more concrete construal of a stimulus, characterized by lower-level representations, such as the sub-goals each product can attain (e.g., breath freshening). Based on the differential activation of the higher order goal, we posit that an abstract mindset will increase the overall number of adjacent products purchased, as these products will be viewed as additional means to attain their broader goal. Under a concrete mindset, less will be purchased as fewer items will be necessary for lower level goal attainment. Further, we draw on the relationship between construal level theory and regulatory focus to identify the process underlying this effect.

Our predictions are tested in four studies. In the first study, participants’ completed a construal level manipulation (Freitas et al. 2004) then moved onto a task where they were told to imagine that the airline had lost their luggage. They were then given the opportunity to purchase replacement products from three categories (hair care, oral care and sun protection). Within each category, participants first made an initial choice (e.g., a choice between toothpastes in oral care). Next, they were presented with 5 additional items from adjacent categories (e.g., mouthwash, floss, etc.) and told to purchase any additional items which they would like from that set of options. In line with our prediction, within each category participants put in an abstract construal level purchased more additional items than participants in a concrete construal level (oral care: $M_{concrete} = 2.1, M_{abstract} = 2.9, p < 0.05$; pattern replicated and was significant for all categories). Our second study was designed to extend the findings from Study 1. As in Study 1 respondents chose a central item from the category (e.g., toothpaste in oral care) before considering additional purchases, one account for the results could be that respondents in the abstract construal condition might have had greater commitment to the goal of oral care after making an initial successful choice (Fishbach, Zhang and Dhar 2005). Thus, first choosing a toothpaste made respondents subsequently more likely to pursue the goal of good oral care through related means (e.g., additional purchases). The next study controlled for this account by offering all adjacent category items simultaneously, as a single choice. Specifically, after completing a construal level manipulation, participants were shown one category of products (e.g., oral care) containing twenty different items and asked to indicate which items from that category they would like to purchase. In support of our hypothesis, respondents assigned to the abstract construal condition made significantly more adjacent category purchases (oral care; $M_{concrete} = 4.7, M_{abstract} = 6.3, p < 0.05$; results were replicated with an additional product category).

These two studies demonstrate that that one’s construal level can influence adjacent category purchases. Studies 3 and 4 test a
boundary condition and the mechanism underlying this effect. While Studies 1 and 2 demonstrate that having an abstract construal of the purchase decision increases the number of adjacent category purchases, as products unrelated to the category were not included in the choice set, one could argue that perhaps an abstract construal simply increases purchase interest generally, as opposed to only for products with shared goal-relevance. Study 3 is rules out this account by presenting respondents with an array of both goal-relevant and goal-irrelevant products. We demonstrate that being in an abstract construal increases the number of goal-relevant purchases only (replicating our initial finding) and has no effect on goal-irrelevant purchases. As prior work has demonstrated that a promotion mindset can lead to more abstract representations, in Study 4 we directly manipulate regulatory focus and demonstrate that manipulations of regulatory focus can have an analogous effect with a promotion focus leading to significantly greater adjacent product purchases.

At present, this research achieves several goals: we demonstrate that one’s construal level of a purchase decision affects the number of purchases which one makes when presented with multiple adjacent category offerings. As how consumers make choices when they consider adjacent categories simultaneously has not yet been examined, we believe this research makes an important contribution to the extent research on consumer choice. Finally we believe that as the factors which influence product perceptions are of critical interest to firms these findings have clear practical implications.

The importance of value certainty in assessing multiple items simultaneously

John W. Pracejus, University of Alberta
Peter T.L. Popkowski Leszczyc, University of Alberta
Yingtao Shen, Dominican University

LONG ABSTRACT

As the other papers in this session make clear, when consumers make simultaneous decisions in multiple related domains or categories, the process has special characteristics not encountered in single product decision making. While co-promotion and even adjacent retail location can significantly impact decision outcomes, the situation becomes particularly interesting when the seller forces consumers to consider whether to buy a set of items as a bundle.

We know from previous research (Popkowski Leszczyc, Pracejus and Shen 2008) that the value of uncertain items can be strongly influenced by bundling them with certain items. Specifically, we showed that bundling an uncertain item with a second item about which consumers have high certainty about the value. For the bundles consisting of the knife set and the (high certainty high value) DVD player, we also see superadditivity in the bundle consisting of the knife set and the (high certainty high value) DVD player. Additional information of relevance to this session includes the order in which participants considered the items and the role played by perceived retail price of each item.

Participants were asked which of the items in the bundle they considered first, plus their degree of certainty concerning the value. For the bundles consisting of the low-certainty knife set and one of the high-certainty goods (CDs or DVD player), 82.02% of the participants considered the item they were most certain about first. For the third bundle, consisting of the CDs and DVD player, with little difference in the degree of certainty in the values, most participants focused on the more expensive DVD player.

To further test our inference of value model, we consider the negative (positive) effect of the retail price of CDs (DVD player) on the retail price of the knife set, while controlling for the difference in the level of uncertainty in the estimates of the retail prices. For this purpose we estimate the following two regression models:

$$\text{RP}_{\text{knife}} = \alpha_1 + \beta_1 \text{RP}_{\text{cd}} + \beta_2 \text{CP}_{\text{cd-knife}} + \epsilon_1$$ (1)

$$\text{RP}_{\text{knife}} = \alpha_1 + \beta_1 \text{RP}_{\text{dvd}} + \beta_2 \text{CP}_{\text{dvd-knife}} + \epsilon_1$$ (2)

Where $\text{RP}_{\text{knife}}$ is the estimated retail price for the knife set, $\text{RP}_{\text{cd}}$ is the estimated retail price for the CDs, $\text{RP}_{\text{dvd}}$ is the estimated retail price for the DVDs, $\text{CP}_{\text{cd-knife}}$ is difference in the level of certainty in the individuals’ estimate of the retail price of CD versus the knife set, $\text{CP}_{\text{dvd-knife}}$ is difference in the level of certainty in the individuals’ estimate of the retail price of DVD versus the knife set, and $\alpha_1$, $\beta_1$, $\beta_2$, $\beta_3$, $\beta_4$ are the parameters to be estimated, for $i = 1, …, n$ bidders ($\alpha$ is an individual specific intercept, included to capture unobserved differences between individuals).

Consistent with our expectations, the estimate of the retail price for CDs has a negative effect on the retail price estimate for the knife set ($\beta_1 = 1.14$, $p < .05$), while the estimate of the retail price for the DVD player has a positive effect ($\beta_2 = 2.2$, $p < .01$). Furthermore, the negative effect for CDs is more substantial when the difference in the level of certainty in the individuals’ estimate of the retail price of the CDs minus the retail price of the knife set is greater ($\beta_3 = -6.47$, $p < .01$).

The results of these regression analyses, while consistent with our hypotheses, do not provide a definitive answer of the direction of inference. Further analyses provide more proof that the CDs retail price estimates influence those of the knives. When individuals are more certain about their estimate of the retail price of the knife set, their estimate of the retail price is $\$27.44$ for CDs and $\$95.55$ for the knife set. However, when individuals are more certain about the retail price of CDs, their estimate of the retail price is $\$28.04$ for CDs and $\$66.82$ for the knife set. While the CD estimate remains the same, the estimates for the knife set are lower ($t = 1.75$, $df = 38$, $p < .10$) when individuals are more certain about the retail price of CDs.
Discussion:

So, we can see that new evidence supports our previous conceptual model of how item uncertainty drives hyper-subadditivity in multi item bundles. Consistent with our expectations, participants reported that they considered the more certain item first, regardless of importance or price. In addition, participants views of a proxy for value (retail price) showed an impact of the certain item on the uncertain item, but not vice versa. Taken together, these findings demonstrate that when people are making a decision about multiple items, that value certainty plays a critical role. It suggests that people may often consider the more certain item first, giving it disproportionate weight in the decision process. It also suggests that great caution should be taken when combining items which vary in certainty, whether bundled, co-promoted or even merely co-located in a retail setting. Of course, the findings reported here are specific to bundles, so more research into value certainty seems warranted in other multi product domains.

REFERENCES


EXTENDED ABSTRACT

Despite considerable research in other theoretical domains (e.g., Jenkins 1992), celebrity worship attracts limited attention in the marketing literature (for exceptions see Kozinets 2001; O’Guinn 2000; Pimentel and Reynolds 2004). The neglect is surprising. First, celebrity worship pervades contemporary society (Hills 2002; O’Guinn 2000). Recent research suggests that at least one in three people engage in celebrity worship (Maltby, Houran and McCutcheon 2003). Second, celebrity worship is arguably a distinctive type of consumer-brand relationship (Fournier 1998). Marketing academicians and practitioners acknowledge that knowledge of consumer-brand relationships is critical to understanding marketing exchange (Christopher 2002).

In this study, we examine the specific case of sustained celebrity worship within an affinity group (Macchiette and Roy 1991) by focusing on the Cliff Richard Fan Club in Sydney, Australia. Members of this group (numbering approximately fifteen, characteristically aged fifty years plus) typically developed an obsession with Cliff Richard (an English pop star, popular since the late 1950’s) during their teenage years. The obsession continues today. Most informants are fan club members of fifteen years or more. This research aims to assess the capacity of the extant literature to explain this behavior and offer additional insights for theory extension. Key findings are summarized below.

Celebrity worship in adulthood associates with abnormality. Celebrity worship is regarded as integral to identity formation during adolescence (McCutcheon, Ashe, Houran and Maltby 2003); however continuance into adulthood is frequently viewed as aberrant (Hills 2002). Obviously, informants in our study do not follow the typical pattern; maintaining their celebrity worship into middle-age. In another instance, adult music fans are characterized as “typically dumb, unsophisticated, or poorly educated” (Grossberg 1991). Our informants appear articulate, characterized as “typically dumb, unsophisticated, or poorly educated” (Grossberg 1991). Our informants appear articulate, socially aware and capable of self irony. Most have diverse life interests spanning work, leisure, community and family. Significantly, Duffett (2003) indicates that negative portrayals of fans are likely to be the product of the middle class taste biases of academic researchers.

Celebrity worship is associated with religiosity. Our findings are mixed in this respect:

− Fans tend to be religious (Kozinets 2001; Maltby, Houran, Lange, Ashe and McCutcheon 2002). All informants identify as devout Christians. Cliff Richard is openly Christian, hence informants’ self reports suggests a consumer-brand relationship based on shared values (Pimentel and Reynolds 2004)

− Fans imbue celebrities with God-like powers (O’Guinn 2002). Few informants report this behavior. Most view Cliff as human. One informant reports meeting him: “He came down off the pedestal; he was just like the man next door.” Yet one informant reports Cliff’s music as helping her overcome a serious illness and another states: “It’s something about his music; it just lifts you up.”

− Fans regard the celebrity as “everything” (O’Guinn 2002). Some informants indicate Cliff is critical to their well being, while simultaneously stressing the importance of the fan club: “I’d be devastated if he wasn’t in my life … and I’d never have met all these friends” Others see Cliff as a pleasant addition to their lives: “He isn’t everything. If he wasn’t there, I’d do something else.”

− Fans seek to serve and/or suffer for their celebrity. Our informants do not report this behavior. For example, they see Cliff as a self-sufficient person: “He actually loves himself.”

− Fans treat celebrity-related objects as sacred (Kozinets 2001; O’Guinn 2002; Pimentel and Reynolds 2004). Informants’ self-reports frequently suggest this behavior. For example an informant explains that when faced by the prospect of bush-fire, she chose to protect a photo of her son and Cliff rather than other possessions.

Celebrity worship in fan clubs associates with social networks that provide considerable benefits beyond those directly linked to celebrity worship (Jenkins 1992; Kozinets 2001). Informants routinely describe the fan club as an extended family that offers fun, friendship and emotional support through life’s trials and tribulations. They enjoy regular contact with other Cliff fans world-wide.

Contrary to the literature (McCutcheon and De Vry 2002), celebrity worship does not always involve strongly parasocial relationships i.e., one person knows a lot about person B, but person B knows nothing about person A (Horton and Wohl 1956). Informants typically state: “We feel as if we know Cliff,” and describe feverishly swapping Cliff news at fan club meetings. Yet comments by Cliff: “My fans are everything to me,” his on-going success (outselling The Beatles and Elvis in Britain) and close association between his record company and many fan clubs dilute the parasocial label. Cliff appears to forge his career based on a keen understanding of his loyal fan base; the embodiment of the marketing concept.

Additional findings emerged from our research. Celebrity worship sustained within an affinity group is a consumer-brand relationship yet to be comprehensively described. Informants’ descriptions of their Cliff Richard attachments resemble Fournier’s (1998) dependencies i.e., obsessive, highly emotional, selfish attractions cemented by the feeling that the other is irreplaceable with high tolerance of the other’s transgressions. Within the fanclub, selfishness is tempered by group acquiescence to a social norm; i.e., respecting the celebrity’s privacy: “We try to stay in the same hotel as Cliff, but we’d never follow him for an autograph. Others might, but fan club members know not to cross the line.” Informants forgive Cliff many of his faults including his widely acknowledged questioner dress-sense: “Over the years, he’s worn some dreadful outfits. Maybe he has no say in what wears? Somebody said he’s color blind.”

Adult celebrity worship within an affinity group is healthy. Informants’ self-reports suggest high emotional intelligence and capacity for mature, honest and respectful relationships across many social spheres, including the fan club and Cliff Richard.
They understand that Cliff enacts dramatistic (rather than naturalistic) performance i.e., an enactment calculated to create a particular effect (Deighton 1992). Explaining their attraction to Cliff, they typically state: “Fantasy is better than reality. Our husbands leave their dirty socks around; thank heavens we never see that side of Cliff.” Hence compared to lone fans, people successfully participating in fan clubs unlikely have personal characteristics associating with significant pathology e.g., stalking.

REFERENCE LIST
ABSTRACT

A decade has passed since consumers began using the Internet in decision-making and advertisers targeted online consumers. Yet despite the medium’s ability to track consumer behavior and conduct field experiments, a quick literature review reveals few scholarly papers with online field experiments. For example, a study of design elements in business-to-business and business-to-consumer banner advertisements closed with a call for experimental research to test design elements (Lohtia, Donthu, & Hersberger, 2003). This roundtable serves two broad purposes: introduces a simple method to conduct online field experiments of consumer behavior and develops a dialog on fruitful theoretic approaches to online consumer behavior.
Self Affirmation Through the Choice of High Aesthetics
Claudia Townsend, Anderson School at University of California, Los Angeles
Sanjay Sood, Anderson School at University of California, Los Angeles

SHORT ABSTRACT
While the overall look of a consumer good is certainly important, little research has focused on this topic. We propose that, just as good looks bestow an unconscious “beauty premium” on people, high aesthetics bestows an unrecognized benefit on consumer goods. Specifically, we suggest that this added benefit of good design is self-affirmation. Consistent with this, we find that a prior self-affirming task leads to a decrease in choice share of a highly aesthetic option. And, likewise, that choice of a highly aesthetic option has the same effect on subsequent behavior, specifically openness to counter-attitudinal arguments, as does self-affirmation.

EXTENDED ABSTRACT
Today marketers are keenly aware that the way a product looks significantly impacts its commercial success. Despite this, there is a lack of academic research on the role of aesthetics in product choice (see Bloch 1995; Bloch, Brunel, and Arnold 2003; Veryzer and Hutchinson 1998 for similar arguments). Here we demonstrate one way in which aesthetics impacts the choice decision differently than more functional attributes and then propose an explanation for this behavior. Specifically, we propose that the choice of highly aesthetic products is self-affirming.

Psychology research has shown that there is a universal bias to equate beauty with goodness in people. The attractiveness of an individual has positive effects on our judgments of them in other, apparently unrelated, dimensions such as how nurturing or ethical they are (Dion, Bersheid, Walster 1972) or how intelligent or mentally healthy they are (see Feingold 1992 for a meta-analysis). It seems possible then that this bias may exist beyond situations where the object is a person; we suggest that it may carry over to judgments of consumer goods. Moreover, we suggest that good aesthetics bestows a beauty premium (Hamermesh and Biddle 1994) on choice options, much like the added benefit that good looks grant a person. These amorphous “beauty premium” benefits are likely difficult to value if not identify and may not be consciously accounted for. Because of this, we predict consumers will be less responsive to changes in price for decisions involving beauty than function. Indeed, in study 1 we find that over a large range in prices, while functional attributes exhibit negative price elasticity, aesthetics does not. In our experimental design for study 1 we address three alternative explanations for this result. Specifically, we speak to the possibility that design is considered significantly more important than price in the relevant product categories, that design is a signal of quality, and also that unlike other attributes on which consumer preferences are assumed to be uniformly distributed, for design, consumers are effectively split into two groups – those who highly value design and those who do not. Having attended to these explanations, we submit that, indeed aesthetics offers some additional and difficult to evaluate benefit.

Next we propose this benefit is related to self-affirmation. As a field, we are aware that consumers buy goods for many purposes besides the mere acquisition of tools for fulfilling specific functional roles (Gardner and Levy 1955, Levy 1959). In particular, one role of consumption that has been studied in some depth is how goods help us signal our self identity. Indeed, there is a tendency to associate product characteristics with those of the consumer (Aaker 1997, Berger and Heath 2007). Related to this, we propose that the choice of attractive products is a conduit for affirmation of the self. Claude Steele’s self-affirmation theory posits that people are motivated to see themselves as competent and sensible individuals (Steele 1988). When self-integrity is threatened, affirming a central aspect of one’s identity can function to restore integrity and reduce the threat to self. Importantly, Steele describes people’s desire for positive self-regard as fungible; it is not compartmentalized where a threat to self in one domain requires endorsement in that same domain. Unlike a functional benefit of a product or even the more obvious and apparent benefit a consumer places on a beautiful product, affirmation of the self is likely a benefit the consumer is neither aware of nor fully understands. Accordingly, it makes sense that this benefit would be difficult to quantify and reveal itself with an unusual price elasticity. Moreover, the notion that product choice can impact feelings of self-identity intimates the strong psychological relationship between consumer and product and also proposes a strong motivator of choice.

To examine this explanation, in studies 2 and 3 we look specifically at the relationship between an individual’s sense of self and their product choice when options vary on aesthetics. In study 2 we witness how a prior self-affirming task decreases the choice share of a highly aesthetic option, but has no such effect on the choice share of a highly functional option. Our explanation is that, due to self-affirmation’s fungibility, the affirmation in one arena makes affirmation through choice of high aesthetics less valuable and, thus, respondents are less likely to choose the more aesthetic option after self-affirmation. Then in study 3 we reverse the order of cause and effect and observe the impact of choice of high aesthetics on subsequent behavior. A great deal of self-affirmation research looks at how self-affirmation overcomes confirmation bias and general defensive processing of information (e.g. Cohen, Aronson, and Steele 2000; Fein and Spencer 1997). People generally may allow their beliefs to bias their evaluation of situations and information but by affirming a person’s sense of self, even in an entirely unrelated area, this bias can be overcome. Work by Cohen et al. (2000) demonstrates how self-affirmation has the effect of increasing a person’s openness to counter-attitudinal arguments. We find that, mirroring the self-affirmation manipulation effects, choice of high design causes respondents to be more open to counter-attitudinal arguments.

With this research, we have demonstrated that products and choice can be self-affirming. Additionally these studies reveal the importance of aesthetics in consumer choice and offer an explanation for at least part of this effect. The notion that choice of highly aesthetic options affirms the decision-maker’s sense of self has numerous applications and repercussions including suggesting that affirming a consumer’s sense of self in an advertisement may, in fact, be disadvantageous if the product of interest is highly aesthetic.

REFERENCES

Skokie, IL: Rand McNally


In E. Harmon-Jones and J. Mills (Eds.) Cognitive dissonance: progress on a pivotal theory in social psychology (103-126) Washington, DC: American Psychological Association


Journal of Consumer Research, 15 (September), 139-167.


When Good Looks Kill: An Examination of Consumer Response to Visually Attractive Product Design
Rishtee Kumar Batra, Boston University- School of Management

EXTENDED ABSTRACT

"Welcome to the aesthetic economy: Ideologues may call beauty a myth, intellectuals may insist that the thought is all that counts, corporate managers may squirm at dealing with artists—but beauty appeals to us all. Ignore it at your peril." (Postrel, 1999, p.88)

In the past several years, the issue of design and its role as a strategic tool for marketplace success has received considerable attention by corporate America (Crozier 1994; Schmitt and Simonson 1997; Nussbaum 2000; Coates 2003; Scott and Batra 2003; de Monthoux 2004; Postrel 2004). In a time when companies are able to match each other on dimensions of quality and price, superior design is seen as a key to winning customers. Design elements such as size, color, shape, and texture are widely recognized as a means for differentiation in increasingly competitive and cluttered markets. A product’s visual design is often among the first pieces of information consumers encounter and thus plays a front-line role in the success of a product (Kotler and Rath 1984). The importance of innovative visual design is an issue that has received a great deal of attention across a broad spectrum of industries, as consumers increasingly demand elegant products that meet both appearance and functionality as a priority.

Based on the research and managerial evidence thus far, we might be tempted to conclude that pursuit of high design is always a good thing but my goal is to understand whether or not this is in fact true. Specifically, the state of design literature today does not inform us with an understanding of how consumers interpret and respond to increased visual attractiveness in product design. While anecdotal evidence suggests that more attractive design should render more positive consumer reactions, we currently lack a theoretical understanding of this phenomenon. What we do know is that a product’s visual appearance is vested with psychological meaning and communicates information to consumers and that tangible attributes of a product, such as size, shape, and style, are pieces of information that consumers use to draw inferences about unobservable attributes such its functional and ergonomic qualities (Friedmann and Lessig 1987; Crilly, Moultrie et al. 2004; Creusen and Schoormans 2005). However, as Bloch urges, “research is needed to determine which product form elements trigger particular cognitive responses among consumers.” (Bloch, 1995, p.25) The present paper focuses on a specific type of product form- visual attractiveness- and examines its impact upon consumers’ perceptions of performance.

Social psychological research in the domain of person perception has shown us that individuals readily make inferences of intellectual capabilities and competence of others based on their physical attractiveness (for a review see Eagly, Ashmore et al. 1991). While physically attractive people are thought to be more competent and intelligent than their unattractive counterparts, there appears to be a limit to this halo effect. Highly attractive individuals seem to conjure negative inferences such that they are thought to be less intelligent than those who are moderately or slightly above attractive. Using these theories from person perception literature as a starting point, this paper examines the impact of visual attractiveness upon consumers’ perceptions of product performance and argues that under certain circumstances, consumers generate negative inferences regarding the performance and quality of highly attractive products.

The results of two laboratory studies suggest that design as a strategic tool might not be the most appropriate means of success for certain firms. In fact, it seems as if not only can the rewards from good design be diminishing, but in fact can be detrimental for some firms. In Study 1, we demonstrate that void of external information, such as brand reputation, consumers tend to inherently doubt the efficacy of products with extremely high levels of visual attractiveness as compared to those of moderate levels of visual attractiveness. In the case of two different product categories- toasters and hand vacuums- when brand information was not present, participants rated moderately attractive designs as being of the highest performance. Furthermore, an analysis of their open-ended responses indicated that the formation of these performance-related judgments were predicated on belief structures about the relationship between a product’s appearance and its performance. Whereas for low and moderately attractive products consumers were shown to utilize a “what is beautiful is good” belief structure the same was not true for highly attractive products. In the case of highly attractive products, a significant number of participants indicate skepticism regarding the probable performance of the products and instead relied upon a belief structure which we call “too beautiful to be good,” in which high levels of attractiveness were equated with lower efficacy. However, this base effect was shown to be moderated by access to external information such that the second belief structure was deactivated in the presence of strong brand information and the relationship between product attractiveness was positive and linear.

The results of Study 2 demonstrate that the effects observed in the previous study are also moderated by access to processing capabilities, indicating that the process of drawing upon belief structures of attractiveness and performance is largely a cognitive one. Under conditions of high cognitive load in Study 2, participants engaged in an affect-based processing such that more attractive products are always thought to be of higher quality and performance. In both the unbranded condition, as well as in the weak-brand conditions, participants still favored highly attractive products over moderately attractive products. Further evidence for an affect based process is offered by the fact that brand information was discounted all together. The lack of interaction between brand and attractiveness demonstrates that unlike Study 1, participants are not elaborating upon their implicit theories and are not adjusting their inferences to incorporate external information. Instead, they are using affective information drawn from the product’s attractiveness to make inferences of its performance.

The results of this study speak widely to the diverse community involved in product design decisions. By understanding the boundary conditions within which this effect operates, we can work toward informing both marketers and designers of the possible perils of an excessive detail to design.

REFERENCES
Unwrapping the Good News: Packaging Pays, and "How"!
The Role of Packaging in Influencing Product Valuation
Tanuka Ghoshal, Tepper School of Business, Carnegie Mellon University
Peter Boatwright, Tepper School of Business, Carnegie Mellon University
Jonathan Cagan, Department of Mechanical Engineering, Carnegie Mellon University

Under review, Journal of Marketing

ABSTRACT
There is little to no research studying the role of packaging in consumer choice behavior and product experience. In this paper, we a) provide empirical evidence for the influence of packaging on product valuation and product attitude; b) study the judgments and emotions elicited by different kinds of packaging; and c) propose and test a conceptual framework to illustrate the role of packaging in impacting product perceptions. We find that more appealing packaging positively impacts product valuation. Attitude toward the product is superior when presented in appealing packaging. Emotions evoked by appealing packaging are stronger and more positive than those evoked by ordinary packaging. We propose a dual logical-affective route of how (more appealing) packaging may positively impact product valuation and attitudes. This research is a significant first step toward a full understanding of the conceptual role of packaging in the entire product experience. While it may be possible to extract more consumer surplus via exposure to appealing packaging before purchase, superior packaging may also play a significant role in enhancing the post-purchase product usage experience by evoking positive judgments and emotions, which impact product satisfaction and loyalty measures, possibly strengthening long-term ties with the brand or product in question.

Keywords: Packaging, product valuation, product attitude, emotions, judgments, post-purchase usage experience.

EXTENDED ABSTRACT
Packaging for a product is more than a mere medium of protection and storage or another convenient forum for advertising. Judging by the significant investments made by marketers (example, Apple) on the packaging of their products, one would have to posit that industry believes packaging to have substantial influence on consumer choice behavior and product experience. Despite this, there is little academic literature studying these interactions and no clear theory of exactly how packaging impacts product valuation. Apart from work on package size, shape and their effect on perception of quantity and product consumption, and some limited research on package graphics, the marketing literature has by and large relegated the role of packaging to mainly a medium of advertising, especially at the point of purchase, whereas in reality packaging has a distinct role as compared to advertising. On the one hand, packaging may indeed be treated as a specific form of advertising because it can be used as a tangible medium of communication to convey valuable information about the product inside. However, consider that the packaging may not actually be visible before or during the purchase decision for a large number of purchase situations. Also, consider that it is “part and parcel” of the delivered product and is hence more inherently linked to the product before (and possibly during) actual use or consumption as compared to advertising. A consumer interacts with a package through the powerful sense of touch, even if it is to simply open the package, take out the product inside and then discard the container. Engaging in touch can create positive attitudes and ultimately lead to positive behavior (Peck and Wiggins 2006). Moreover, unwrapping the packaging is typically the consumer’s first point of contact with the product. All this argues for examining the role of packaging in particular. There are comprehensive academic theories of how advertising impacts brand attitudes, the emotions it evokes and how that impacts brand/product perceptions (e.g. Edell and Burke 1987, 1989; Holbrook and Batra 1987), but there is no such systematic study of the role of packaging. For example, does packaging influence consumers’ willingness-to-pay? Does it impact their brand choice? Do different kinds of packaging evoke different reactions in consumers? Are there external manifestations of these reactions in terms of their purchase behavior? Does packaging influence consumers’ attitudes toward the product or brand? Does it play any role in enhancing the post-purchase product usage experience in terms of satisfaction and influencing repeat purchase? We seek to answer some of these questions in this paper.

In particular, we a) provide empirical evidence of the influence of packaging on product valuation and product attitude; b) study the judgments and emotions elicited by different kinds of packaging; and c) propose and test a conceptual framework to illustrate the role of packaging in impacting product perceptions.

In our proposed model of the role of packaging we portray the mediating role of judgments or thoughts (logical reactions) and emotions or feelings (affective reactions). This model is adapted from Holbrook and Batra (1987) which itself draws upon numerous results from the literature on advertising and its influence on product and brand perceptions. Exposure to packaging elicits a reaction toward it (“attitude toward packaging”) which in turn evokes specific thoughts or judgments and feelings or emotions (affective reactions) that elicit an overall reaction toward the featured product (“attitude toward product”), which finally impacts behavior. The key is that both logical as well as affective reactions mediate the impact of packaging on attitude toward the product. This also follows Edell and Burke (1987) and Burke and Edell (1989)’s characterization of attitude to advertising as consisting of “cognitive and affective elements”. The different versions of the dual-process models of cognitive processes proposed in recent judgment and decision theory all have the underlying commonality that such processes can be broadly partitioned into two main families- intuition (automatic cognitive operations or “System 1”) and reason (controlled cognitive operations or “System 2”); see Kahneman and Frederick (2005). According to these theories, both systems may be active concurrently in cognitive processes, although the relative contribution of the two may differ by context. In our model we will also try to determine the relative contributions of judgments and emotions in impacting attitude and behavior. In the spirit of Zajonc (1980), we hypothesize that the more spontaneous, faster affective reactions may predominate over the more involved, slower judgment or logical reactions. We go a step beyond the traditional attitude models and also demonstrate the impact of product attitude on actual behavior, in terms of product valuation and willingness-to-pay (WTP).
In summary, we aim to study whether and how packaging impacts product valuation and to develop a theory of how this interaction works. We postulate that the role of packaging may be more subtle than other product-related stimuli (product design, advertising etc), yet the impact on product perceptions may be substantial. The impact may be via a logical or affective route or both. Our results show that better packaging does indeed positively impact product valuation. In two separate studies, it was found that appealing packaging led to increased selling price and choice/purchase price for an object as compared to the same object in an ordinary package. Attitude toward the object was also superior when it was presented in the appealing packaging. Emotions evoked by the appealing packaging were stronger and significantly more positive than those evoked by the ordinary packaging. Upright, subjects did not volunteer ‘packaging’ as a factor that influenced their selling price, however, when prompted later, the stated importance of packaging was higher in the condition of the appealing packaging versus the ordinary packaging. Through a series of analytical models we propose a dual logical-affective theory of how (appealing) packaging may positively impact product valuation and attitudes.

We present this research as a significant first step toward a full understanding of the conceptual role of packaging in the whole product experience, and toward giving packaging its due importance in the academic literature.

**Keywords:** Packaging, product valuation, product attitude, emotions, judgments, post-purchase usage experience.

**FIGURE**

A conceptual model of how packaging impacts product valuation via a dual logical-affective process.

```
Attitude toward packaging

[ ]

Judgments (logical), Emotions (affective)

[ ]

Attitude toward product

[ ]

Behavior (valuation)
```

**REFERENCES**


PLENARY SESSION
Consumer India: An Emerging Profile

Session Chair: Dipankar Chakravarti, University of Colorado - Boulder, USA
Speakers: Rama Bijapurkar, India

With over a billion consumers, the Indian marketplace is a largely untapped and rapidly evolving opportunity. However, this marketplace is also an enigma that defies profiling approaches that rest on traditional thinking templates about marketing and consumer behavior. Indeed, Consumer India challenges its serious students (whether practitioners or academics) to navigate innovatively an environment that abounds in contradictions and conflicting truths, and where past, present and future coexist in intriguing juxtaposition.

This session will provide participants with an innovative framework for examining the complex plurality of Consumer India in an effort to identify new research possibilities. Rama Bijapurkar (www.bijapurkar.com) is one of India’s most respected thought leaders on market strategy and consumer behavior. A prolific author and versatile consultant to leading corporations as well as entrepreneurial startups, she brings a rich and varied perspective on the emerging character of Consumer India. Her insights rest on three decades of work assignments with McKinsey, MARG Marketing Research, and Hindustan Unilever, among others. Her 2007 book “We are like that only – Understanding the Logic of Consumer India” (Penguin Portfolio) is widely acclaimed for its incisive analysis of the economic, psychological and socio-cultural diversity characterizing Consumer India.
Benefits-Satisfaction-Loyalty Linkages in Retail Loyalty Card Program Model: Exploring the Roles of Program Trust and Program Commitment

Assistant Prof Dr. Nor Asiah Omar, University Tun Abdul Razak, Malaysia
Associate Prof Dr. Rosidah Musa, University Technology Mara, Malaysia.

ABSTRACT
Investigations to determine whether benefits that members derived from a loyalty program could influence their satisfaction, trust, commitment, loyalty with the program, and ultimately store loyalty are critical to elucidating the roles and significance of constructs and advancing management practice. With this in mind, our research aims to assess the effects of the loyalty program’s benefits offered by one of the leading superstore in Malaysia on its members’ loyalty towards the program. What is more, we also attempt to explore the roles of program trust and program commitment in the hypothesized framework. The framework was developed and tested on 167 loyalty cardholders of the particular superstore. The study’s goal of developing a plausible framework to offer a richer insight of how program benefits could finally influence store loyalty was achieved. The results exemplify that program benefits is a strong driver of members’ satisfaction with the program and linkages of program benefits–program loyalty–store loyalty were established. The mediating roles of program trust and commitment were significant in the model; however no direct relationship from program satisfaction to store loyalty have been found. Our findings reveal important implications for future research and management practice.

Keywords: loyalty program, customer satisfaction and loyalty

INTRODUCTION
In response to current era of intense competition and demanding customers, a new generation of customer relationship management (CRM) tactics has been developed, which is the loyalty program (Bhattacharya, 1998). Several scholars (i.e. Kivetz and Simonson, 2003; Mauri, 2003) assert that loyalty program has become an important strategy and mechanism for retailers to increase revenue growth and has become a key component of CRM, serving a critical role in developing relationships, stimulating product and service usage and retaining customers. In addition, Liebermann (1999) observes that loyalty card programs are proven to be an effective tool within the relationship marketing framework. Loyalty program is defined as the business process of identifying, maintaining, and increasing the yield from best customers through interactive, value-added relationships (Capizzi, Ferguson and Cuthbertson, 2004). Basically, the loyalty programs are structured marketing efforts, which reward and encourage loyal behavior of their members (Sharp and Sharp, 1997). The use of loyalty program grew exponentially in the United States of America, United Kingdom and all around the world (Bellihi and Bristol, 2004). Recently, it was reported in Malaysian local newspaper that the loyalty card program business in Malaysia is currently worth RM 2.4 billion, and is projected to grow to RM 3.5 billion by 2010 (Ganesan, 2006).

In the retail scene loyalty programs involved a concentrated effort by retailer to build store traffic, increase basket size and increase frequency which creating deeper relationship ties with its customer base (Allaway, Berkowitz and D’Souza, 2003). Today the use of loyalty programs as a technique for firms to enhance customer loyalty is extremely popular as it is believed that both consumers and firms can reap benefits from it (Luxton, 1998). However, it was acknowledged that for this loyalty programs to work, customers must find them valuable, which mean that the rewards justify their investment. In fact, it was unveiled that customers are often sensitive to the quality of the program’s strategies (Dowling and Uncles, 1997; O’Brian and Jones, 1995) and previous research has shown that the magnitude of monetary compensation and price discounts offered to members could have significant impact on future satisfaction and loyalty (Dowling and Uncles, 1997; Liebermann, 1999).

RESEARCH RATIONALE
Surprisingly, although considerable amount of advanced study have been conducted on loyalty program, to our knowledge no study have developed and tested a comprehensive model that integrates the relationship quality constructs such as satisfaction, trust and commitment. Moreover, most of the past studies on loyalty programs were conducted within the US and UK market. As such, the authors argue that the stability and applicability of past findings across different national/cultural settings remain largely untested. Indeed, Noordhoff, Pauwels and Odekerken-Schröder (2004) indicated it is fruitful to embark a study in Asian market because one of the advantages of this market is that customers may not experience loyalty card fatigue. In line with the above reasons, the purpose of this study is twofold: (1) to propose a comprehensive model which integrates program’s benefits and related constructs such as program satisfaction, program trust, program commitment and program loyalty and store loyalty (2) to test it in the context of a superstore loyalty card program in Malaysian market. Hence, result of this study will permit an examination of the stability of well-established functional relationships among the key constructs of relationship quality in the context of loyalty card program.

CONCEPTUAL FRAMEWORK
The conceptual framework depicts the hypothesized relationships among constructs in a path diagram format (see Figure 1). The framework comprises of program’s benefits, satisfaction, trust, commitment and two levels of loyalty, which are loyalty towards the program and store loyalty. In many loyalty programs, benefits serve as the most compelling reason for customers to participate in a program (De Wulf, Odekerken-Schröder, Canniere, and Van Oppen, 2002). Loyalty programs give rewards to members, varying from saving for items and targeted offers to special shopping nights and preferred service treatment (Leenheer, Bijmolt, Van Heerde, and Smidts, 2002). Wright and Sparks (1999) observe that the biggest attraction for consumers to join loyalty card program was the free rewards and benefits, such as money off coupons and accumulation of points.

In a similar voice, Dick and Basu (1994) posit that economic rewards such as saving programs and discounts may lead to specific behavioral incentives and could entice calculative consumers become loyal. Mllroy and Barnett (2000) suggest that it is important to incorporate customer satisfaction when developing a customer loyalty program. Hence, we include program satisfaction in the proposed model and we also incorporate two important constructs such as trust and commitment as a consequence of satisfaction. In fact, it was recognized that satisfaction, trust and commitment play a pivotal role in increasing...
customer loyalty (Macintosh and Lockshin, 1997). With regard to the final outcome, extant literature reveals that store that offered loyalty card program to their customers enjoy benefits of store loyalty (Ji and Jeon 2001; Lieberman, 1999). As such, store loyalty has been integrated as a final outcome in our loyalty program model. In essence, based on previous literature of relationship marketing area of study, we hypothesized that program benefits will be positively associated with program satisfaction which in turn will influence program trust, commitment, loyalty and finally store loyalty.

FIGURE 1
Conceptual Framework of Retail Loyalty Card Program.

![Conceptual Framework of Retail Loyalty Card Program](image)

**CONCEPTUALIZATION OF CONSTRUCTS**

**PROGRAM BENEFITS**
Fundamentally, most loyalty programs will grant benefits to customers depending upon the volume of sales that they generate and these benefits may consist of monetary or non-momentary incentives like rebates, bonuses or services. It has been suggested that a combination approach of hard (rewards) and soft (recognition) benefits is the optimal way to improve retail card revenue and to reduce customer attrition (Dowling and Uncles, 1997; Nunes and Dreze, 2006). Similarly, O’Brian and Jones (1995) advocate that rewarding strategies can lead to sustainable competitive advantage if such strategies are not short-term promotional give-away, but planned and implemented parts of larger loyalty management strategy. Thus, we view program benefits as a combination of hard (discount and rewards) and soft benefits (insurance, and exclusive sale invitations) given to program members.

**PROGRAM SATISFACTION**
Satisfaction is a measure of how a customer’s expectations are met and often been perceived as the final result of all activities carried out during the process of purchase and consumption (Oliver, 1996). In fact, few researchers (e.g. Fornell, 1992; Johnson and Fornell, 1991) suggest that customer satisfaction is an overall evaluation based on the total experience with a good or service over time. Therefore, in the current study we specifically established that the consumer experience with the retail loyalty card program must occur at least within twelve months prior to data collection. Accordingly, we define program satisfaction as program member’s affective state as result of cumulative evaluation of experience with the loyalty card program.

**PROGRAM TRUST**
Trust generally is viewed as an essential ingredient for building and maintaining successful relationships (Chaudhuri and Holbrook, 2001; Morgan and Hunt, 1994) and Wilson (1995) further asserts that trust is a fundamental relationship model building block and is included in most relationship models. In line with Moorman, Deshpande, and Zeltman (1993) this study defined trust as the level of confidence that the program members have towards the loyalty card program that their expected behaviour will lead to valued outcomes.

**PROGRAM COMMITMENT**
Commitment has been viewed as an implicit or explicit pledge of continuity between relational partners (Dwyer, Schurr and Oh, 1987). Morgan and Hunt (1994) defined commitment as the enduring desire of parties to continue a relationship whereby the customer willingly makes effort at maintaining it. Thus, this study conceptualized program commitment as a cardholder’s drive to continue and maintain membership with a retail loyalty program and accompanied by the cardholder’s willingness to make short-term sacrifices to maintain membership, such as willingness to pay a small amount of membership fee.

**PROGRAM LOYALTY**
A recent empirical evidence shows that not all subscribes to a loyalty program are in fact card-loyal (Noordhoff, Pauwels and Odekerken-Schroder, 2004). Sharp and Sharp (1997) postulate that some of the loyalty card members use more than one loyalty program; other do not use the card; and most customers seem not to know the mechanics of the reward schemes of loyalty programs. The loyalty towards the program were operationalized as high positive attitude towards the loyalty card program which were
reflected in the members intention to use the same loyalty card program overtime and recommend to others of the loyalty program (Yi and Jeon, 2003; Zeithamal et al. 1996). Hence, loyalty program is defined as a cardholder’s drive to continue and maintain a relationship with a retail loyalty programme accompanied by the cardholder’s willingness to make additional efforts.

STORE LOYALTY

Loyalty refers to the positive attitude towards supplier combined with a willingness to further perform transactions (Rauyruen and Miller, 2007). These definitions of loyalty shared at least two underlying notions: one is willingness to continue the transaction with the seller, and the other is willingness to do business with the seller relatively independently from own interest. In this study store loyalty is defined as a high positive attitudes and repeat purchase behavior towards a particular store thereby causing repetitive purchasing in the same retail store, despite situational influences and marketing efforts by competitors in persuading switching behavior.

RESEARCH METHODOLOGY

The rise and expansion of retailers in Malaysia, has contributed to high competition among retailers which lead to the growth of loyalty programmes as a structured marketing efforts used to build store traffic, increase basket size and create deeper relationship ties with customers. It is suggested that loyalty programmes would be an essential weapon in the “war” between retailers in Malaysia (Ganesan, 2000). The data of this study were collected via store intercept at one of the leading superstore in Malaysia. The specific retail store was chosen on the basis of its high traffic flow and diverse shopper demographics. Data collection adopted a combined approach whereby the survey was person administered but self-completed. For instance, the researcher approached respondents to elicit interest in participation, to check membership duration (at least 1 year) and explain the research objective (person-administered). Those willing to participate were then seated at a table at which stage the survey was self-completed. The researcher remained in the vicinity of the table until respondents had completed the survey and spoke to them only at time of any, minor clarification was needed. Adopting this combined survey helped to improved response rate (70%) and reduced missing data. This data collection technique has resulted in 167 usable questionnaires. A five-point Likert scale has been employed for all the measures used in the study.

RESULTS

The measures utilized in this study initially were purified via item-to-total correlation and exploratory factor analyses with varimax rotation. Item which loads 0.50 or greater on one factor and did not have cross-loadings greater than 0.30 on other factors were accepted for further analysis (Rentz, et. al, 2002). The pool of items was further refined using confirmatory factor analysis (via AMOS 6). Table 1 presents the correlation matrix, descriptive statistics, Cronbach’s alpha reliability coefficients, square multiple correlations (R²) for the measures and sources of items. The Cronbach’s alpha reliability coefficients were above 0.7, which concur with Nunnally’s (1978) minimum suggestion level of 0.7. In addition, the correlation index among factors are low and moderate, this implies that discriminant validity is attained (Churchill, 1995). It is reasonable to claim that the measures possess adequate psychometric properties.

### TABLE 1

<table>
<thead>
<tr>
<th>Construct</th>
<th>No. of items</th>
<th>Mean</th>
<th>S. D</th>
<th>á</th>
<th>R²</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>X5</th>
<th>X6</th>
<th>Sources of items of the Constructs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Benefit (X1)</td>
<td>14</td>
<td>3.70</td>
<td>0.53</td>
<td>0.80</td>
<td>-</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Jang and Mattila (2005)</td>
</tr>
<tr>
<td>Program Satisfaction (X2)</td>
<td>5</td>
<td>3.72</td>
<td>0.59</td>
<td>0.86</td>
<td>0.93</td>
<td>0.68*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Crosby and Stephens (1987)</td>
</tr>
<tr>
<td>Program Trust (X3)</td>
<td>4</td>
<td>3.78</td>
<td>0.65</td>
<td>0.91</td>
<td>0.95</td>
<td>0.73*</td>
<td>0.65*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Morgan and Hunt (1994); Moorman et.al. 1993</td>
</tr>
<tr>
<td>Program Commitment (X4)</td>
<td>2</td>
<td>3.83</td>
<td>0.77</td>
<td>0.85</td>
<td>0.78</td>
<td>0.71*</td>
<td>0.64*</td>
<td>0.68*</td>
<td></td>
<td></td>
<td></td>
<td>Morgan and Hunt (1994); Macintosh and Lockshin (1997)</td>
</tr>
<tr>
<td>Program Loyalty (X5)</td>
<td>2</td>
<td>3.81</td>
<td>0.85</td>
<td>0.91</td>
<td>0.67</td>
<td>0.68*</td>
<td>0.57*</td>
<td>0.53*</td>
<td>0.69*</td>
<td></td>
<td></td>
<td>Yi and Jeon, 2003; Zeithamal et al. (1996)</td>
</tr>
<tr>
<td>Store Loyalty (X6)</td>
<td>4</td>
<td>3.65</td>
<td>0.73</td>
<td>0.86</td>
<td>0.90</td>
<td>0.76*</td>
<td>0.59*</td>
<td>0.63*</td>
<td>0.71*</td>
<td>0.75*</td>
<td></td>
<td>Yi and Jeon, 2003; Zeithamal et. al. (1996)</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.01 level (2-tailed)

Although the final structural model has a significant χ² value (χ² = 74.46, df = 25, p < 0.001), the model fit indices were indicative of a good fit of the model to the data. The estimation of the model yielded respectable GFI (0.91), CFI (0.95) and IFI (0.97) values. The (RMR) value of 0.023 confirmed a good fit, which exceeded the posited cut-off value (<0.05). Overall, the results of the fit indices indicate that the model adequately fits the data. It is important to note that paths that were insignificant were deleted in order to obtained best-fit model (see Figure 1). For the summary of the hypothesized paths, please refer to Figure 1.

DISCUSSION AND CONCLUSION

Program benefit was unveiled to be the driver of program satisfaction judgments, and in turn store loyalty. This result provides empirical evidence that program benefit holds a pre-eminent role in the formation of program’s satisfaction and
ultimately store loyalty. Surprisingly, satisfaction with the program itself could influence loyalty card members to be loyal to the store, surpassing program loyalty. It is important to illuminate that program’s benefit directly have significant impact on store loyalty via program’s loyalty. In essence, the findings of this study strongly imply that retailers stand to gain from placing extra emphasis on offering attractive and high value loyalty program’s benefits which acts as a ‘barrier to entry’ mechanism, provides powerful competitive advantage and eventually gaining customer loyalty.

Advanced research should be embarked upon to replicate and validate the present model in order to determine the robustness of the current findings. Since the generalisability of the model is inherently limited to the superstore category, the model should therefore be extended beyond the present retail category context, for instance, department store, specialty store, supermarket and hypermarket. In addition, comparative cross-national studies are essential in order to examine and validate the generalisability of the model globally. This research direction appears to be potentially fertile because quite a number of top supermarket retailers, such as Tesco, Marks and Spencer and Jusco (Aeon) operate their business worldwide.

REFERENCES


The Moderating Effect of Loyalty on the Relationship of Sales Promotions and Brand Equity
Joshy Joseph, Indian Institute of Technology Madras, India.
Bharadhwaj Sivakumaran, Indian Institute of Technology Madras, India.

ABSTRACT
Sales promotions are used very widely in the market, despite the conflicting research findings that they erode brand equity. This paper explains reasons for this increased spend by investigating the role of brand loyalty in the relationship of promotions and brand equity. Findings indicate that brand equity is different for customer segments with differing levels of loyalty, and that even non-CFB promotions support brand equity in certain market segments (like those dominated by spurious loyal customers). The paper ends by highlighting the need of loyalty-based segmentation of markets.

EXTENDED ABSTRACT
Introduction
There is a general agreement among researchers that sales promotions erode equity of the promoted brand (Winer, 1986; Mela, Gupta and Lehmann, 1997). However, marketing practitioners use promotions heavily; moreover, the share of promotions in their advertisement budget is increasing (Ong, 1999; Spethman, 1998). Joseph and Sivakumaran (2008) found that under conditions like high levels of deal proneness and involvement, brand equity would be higher when promotions are offered. Another important factor in this context is brand loyalty, which seems to have been overlooked, even though some researchers like Ghosh (1997) proposed that sales promotions have to be targeted at customers with differing levels of loyalty to prevent the decrease of brand valuation.

Conceptual Framework
Sales promotions can be classified into consumer franchise building (CFB) and consumer non-franchise building (Non-CFB) promotions (Belch and Belch 2004). CFB promotions communicate distinctive brand attributes and contribute to the development and reinforcement of brand identity while non-CFB promotions try to generate immediate sales or shorten the buying decision. CFB promotions would thus contribute to the development of brand equity, while non-CFB promotions could reduce it as the focus is providing incentive for buying now, without considering brand development. However, this need not be true always, as different customer groups have different purchase behaviors and thus may not be always influenced by the above logic.

Researchers have found that loyalty acts as an antecedent to brand equity (Atilgan, Aksoy and Akinci, 2005; Yoo and Donthu, 2001). Therefore differences in brand loyalty of the customers would affect customer based brand equity. This would be highlighted during promotions, as the effects of promotions on brand equity at different loyalty levels could be different. For the present study, we classified customers into four groups - true loyals (with high attitudinal and behavioral loyalty), latent loyals (high attitudinal but low behavioral loyalty), spurious loyals (low attitudinal but high behavioral loyalty) and non-loyals (both low attitudinal and behavioral loyalty), according the framework proposed by Dick and Basu (1994) and examined the influence of loyalty in the relationship of promotions and brand equity.

True loyals being high on brand attitude, would have stronger and well structured organization of brand knowledge (Keller, 1993) in their minds. Also, as they buy the product more often, this knowledge structure would become stronger. This strong memory structure would prevent brand equity erosion during promotions, despite the forms in which they are offered. Hence, brand equity for true loyal customers would not be affected by the nature of promotions. At the same time, since spurious loyals do not have a high attitude towards the brand, they would find value in promotional activities that pose as value enhancers in the purchase transaction. Value of a promotional offer would more evident in non-CFB promotions than in CFB promotions and therefore spurious loyals would have higher brand equity when non-CFB promotions are offered. Promotional offers are generally irrelevant to latent loyals and non-loyals, as they do not buy the brands as the other customer categories. Hence brand equity would not be affected by promotions in both these categories.

Also, we looked into the effect of promotions on brand equity in market segments consisting of customers belonging to more than one loyalty stage. Based on the main effects hypothesized above, we proposed that interaction effects of type of loyalty would be seen in market segments dominated by spurious loyals and customers with any other loyalty state and that no interaction effect would be seen in other loyalty combinations.

Methodology
We performed the study through an experiment and followed it up by a customer survey. We used a 2 x 4 between subjects design with two levels of promotions (CFB and Non-CFB) and the four levels of brand loyalty (true, spurious, latent and non-loyals) for the experiment. We then did a customer survey with real products and customers, which helped to fortify the experimental results and also to capture the long-term effects of promotions on brand equity.

Results and Discussion
We found that brand equity during promotions is different for customers in different stages of loyalty. Also, we found that brand loyalty moderates the relationship of sales promotions and brand equity. Our study highlights the need for loyalty based segmentation of the market for effective brand equity management. The results would help managers in deciding which type of promotion is to be used in markets dominated by customers with a particular level of brand loyalty.

Future Research
Future research in this area can incorporate the effect of competition and the idea of split loyalty, where customers are being loyal to more than one brand. Also, the effect of the trait loyalty and variety seeking behavior can be studied.

REFERENCES


A Dynamic Structural Model of the Impact of Loyalty Programs on Customer Behavior
Praveen K. Kopalle, Dartmouth College
Scott A. Neslin, Dartmouth College
Baohong Sun, Carnegie Mellon University
Yacheng Sun, Indiana University
Vanitha Swaminathan, University of Pittsburgh

EXTENDED ABSTRACT

In a business environment marked by an increase in firm knowledge about its customers, managers and researchers are as aware as ever of the importance of brand loyalty. Accordingly, “loyalty programs”, designed to maintain and enhance loyalty, have become “go-to” marketing programs for many companies. These programs have elicited mixed reviews. Advocates view them as mechanisms for softening price competition, building a database for customizing marketing efforts, and a dominant strategy for firms as long as the fixed cost of the program is not too high. In addition, they note that a minority of customers contribute to most of a firm’s profits, so it is logical to lavish attention on them. Finally is the belief that it is less costly to service and retain current customers than to acquire new ones. Critics, however, cite the high costs of loyalty programs, question whether they really increase loyalty, warn they become a profit-eroding prisoner’s dilemma, and question whether it is really cheaper to serve existing customers.

One factor that muddles this debate is that two distinct forms of loyalty programs have emerged: frequency reward and customer tier. Frequency reward programs are typically of the form, “Buy X times, get one free.” These are the original trading stamp and frequent flier programs. Customer tier programs are of the form, “Once you qualify for our gold tier, we will provide you with special services.” Both programs usually rely on accumulated customer sales to determine which customers get rewarded with what rewards. However, they differ in two crucial respects: First is the nature of the reward. With frequency reward programs, the reward is meaningful but ephemeral – a free flight, a rebate, etc. Customer tier programs offer, for an extended period of time, a bundle of enhanced services such as dedicated phone lines, faster check-in service, automatic upgrades etc. Second is the means to obtain the reward. Frequency reward programs typically require customers to proactively trade in their points in order to receive the reward. Customer tier programs dispense their reward automatically. Once customers qualify for a certain tier, they are notified and are treated according to their tier status. It can be argued that customer tier programs have more potential to build customer loyalty rather than frequency reward programs. In order to fully gauge the impact of “loyalty programs” on customer behavior, it is imperative to understand both frequency reward and customer tier components. This requires incorporation of the following phenomena:

- **Forward-Looking Customers**: Both forms of loyalty programs encourage customers to consider the future ramifications of their current choices, because these choices bring them closer to receiving a reward, be it the short-term free product or the chance to be a “Platinum” customer.
- **Value of the Reward**: Obviously, the degree to which customers value the reward influences their behavior.
- **Obtaining the Reward**: For the frequency reward program, this requires a deliberate decision to “cash-in.” The reward is automatically delivered for customer tier programs.
- **Points Pressure**: This is a direct outcome of forward-looking behavior; customers are expected to increase purchase frequency as they get closer to the reward.
- **Rewarded Behavior**: This is particularly relevant for frequency reward programs. The reward indeed is short-term, but customer affect created by the reward can translate into an increase in loyalty.
- **Customer Heterogeneity**: Customers are clearly heterogeneous with respect to the above phenomena. Some customers may feel a free flight is worth any amount of effort, while others may not stand the hassle. Some may not care about the perks provided to “Platinum” customers, while others crave the royal treatment.

In this paper, we develop a dynamic structural model to determine the impact of frequency reward and customer tier components of a loyalty program on customer behavior. We estimate our model using data from an airline’s loyalty program. Our findings are that a two-segment solution fits the data best both in estimation and validation samples, revealing a “customer-tier focused” segment that highly values the customer tier component but attaches a net negative value to the frequency reward, and a “loyalty program enthusiasts” segment that values both frequency reward and customer tier programs. We illustrate the points pressure and rewarded behavior effects and find that while both program components increase the number of paid flights, the paid no cash-in flights decrease under the frequency reward program.

The contribution of this paper is threefold. First, we provide an integrated analysis and an examination of the differential impact of two critical components (frequency reward and customer tier) of a loyalty program on customer behavior. Second, we develop a comprehensive dynamic model that incorporates the key phenomena mentioned above: forward looking behavior, value of the reward, purchase as well as cash-in decisions, and heterogeneity. Third, we generate substantive results with respect to points pressure and rewarded behavior effects and develop corresponding policy implications, thus adding to our knowledge base of customer response to loyalty programs.

**Keywords**: Dynamic choice models, customer expectations, customer tier programs, loyalty program, frequency reward, database marketing, segmentation
REFERENCES


Understanding Computer-mediated Communication Usage: A Perspective from MSN Services
Chun-Wang Tsou, Department of Transportation and Communication and institute of Telecommunication Management, NCKU, Tainan, Taiwan
Chun-Hsiung Liao, Department of Transportation and Communication and institute of Telecommunication Management, NCKU, Tainan, Taiwan

A research model evaluating a user’s adoption of Microsoft Network (MSN) services is developed along the lines of compatibility, enjoyment, attractiveness, and interactivity as a series of external variables. These variables are simultaneously incorporated into the technology acceptance model (TAM) to increase the predictive power of the user adopting MSN services. A total of 806 existing MSN users from a survey of MSN Hotmail account-holders are used empirically to test the proposed research model. A test and model construction adopts a two-step approach, confirmatory factor analysis (CFA) and structural equation modeling (SEM), to examine the reliability and validity of the measurement model, and to evaluate the casual model.

The findings have three distinct intended contributions: (1) the original TAM was continuously tested to be a robustness model in predicting the user’s adoption of MSN services; (2) enjoyment, a hedonic factor that arouses the individual's intrinsic motivation, plays an important part between perceived ease-of-use, compatibility, attractiveness, and attitude; and (3) interactivity, a significant effect on usefulness, revealing that MSN services with interactive content is perceived to be more useful. Of particular note, a new relationship flowing from perceived usefulness to perceived enjoyment is confirmed to be significant.

INTRODUCTION

With the proliferation of Internet technology, the global Internet population is growing at a rapid rate. Based on an investigation of the Computer Industry Almanac (www.c-i-a.com), the worldwide number of Internet users reached 1.2 billion by the end of 2006, and the worldwide yearly increase in Internet users is predicted to be 140 million to 145 million in the next five years. From a customer perspective, users spend a large amount of time connected to the Internet to surf websites or search relevant information. These activities will be commonly viewed as a part of their lifestyle. As these customers become more sophisticated with Internet use, they will likely involve many activities via the Web and become more demanding about the quality of Web-enabled information, such as online shopping, downloading online music, or online chat. However, these consumers receive a large number of email messages every day, they work on the Internet in their offices every week, and they agree that the Internet and other developments in communication technology have improved their productivity at work (Bellman et al., 1999).

Computer-mediated communication (CMC) is tentatively defined as "any human symbolic text-based interaction conducted or facilitated through digitally-based technologies" (Spitzberg, 2006). This definition means that an individual was engaged in a process of message interchange via cable or wireless network, and the method of transmitting communication content within the media included voice, instant messaging (IM), videoconferencing, and multi-way interactions that were not ordinarily considered computers. Furthermore, with the rapid development of digital technologies, this definition intends to play an important role in computer-assisted convergence with both the Internet and telecommunication.

With the fast-growing broadband market, MSN services, developed by the Microsoft Network, was the second largest Internet service provider in the United States. This service had about 350 million visitors to MSN monthly by the end of 2007 (Microsoft News, 2007). In Taiwan, MSN services is a popular real-time communication tool, and more than eight million subscribers were using it by the end of 2005 (InsightXplorer, 2005). The increasing number of MSN users was mainly attributed to the convergence of the email, website, and real-time face-to-face communication; each function provides a variety of content compared to a traditional email system. MSN Services, a new computer-mediated communication, provides a variety of web-based services well suited to people who use the Internet away from home or own computers compatible with the MSN program. Its content made extensive use of multimedia and interactive features for existing users, including email, voice, instant messaging (IM), newsletters, and other enjoyment functions. All functions allow MSN users to shape their customized interface by adding versatile elements (e.g., beta services), and to experience real-time face-to-face communication via their computers. Each offers a service that is significantly distinct from traditional media, which focus on text messaging or images conveyed via the Internet only and lack interactivity and animation. For example, MSN Messenger can provide a variety of customizable emoticons, personalized avatars, and animated display pictures with users, and is associated more with entertainment when users are engaged in using this function. Thus, the aggregation of all applicable features in this study is defined as MSN services, through which most users can use different kinds of communication services ranging from texts to real-time face-to-face communication. These services provide more effectiveness with users who are highly dependent on computer-related tasks without switching to other systems, which qualify these services as a functional alternative to traditional media. The objective of this article is to increase our current understanding of the factors that influence a user’s acceptance of MSN services in light of the technology acceptance model. More precisely, four influential factors are incorporated into the TAM as a research model to evaluate MSN services’ rapid increase in Taiwan, including perceived enjoyment, attractiveness, compatibility, and interactivity. All influential factors being validated effectively on the other domains are extracted from the relevant research. From the viewpoint of information technology (IT) acceptance, these factors are well matched to CMC’s traits and directly lead to users who are more willing to adopt MSN services. Hence, more knowledge about these factors that affect MSN services adoption is needed to better understand and facilitate the acceptance.

This article is divided into four parts: the first part contains a literature review of TAM and related studies. The second part presents the research methodology used in this work. The third part is composed of the results and analysis. In this part, the data are analyzed using confirmatory factor analysis (CFA) and the structural equation model (SEM). The final part consists of the conclusions and practical implications of the research.
THEORETICAL BACKGROUND

The technology acceptance model (TAM) is derived from the theory of reasoned action (TRA), which is concerned with the determinants of consciously intended behavior. TRA has successfully been applied in predicting and explaining behavior across a wide variety of domains (Ajzen and Fishbein, 1975). The assumption of TRA is based on rational consumers’ behavior via collecting and evaluating systematically all of the available information. Based on this assumption, an individual who takes into account the effects of his or her possible action makes a decision whether or not to act (Ajzen and Fishbein, 1975).

Although the TAM was refined from TRA, the TAM has some considerable differences. First, TRA beliefs are confined to context, and hence they cannot be generalized; in contrast, in the TAM, two salient beliefs, perceived ease-of-use (PEOU) and perceived usefulness (PU), are significantly influential factors in the acceptance of all IT. The other remarkable difference is that all of TRA beliefs are summed together, as compared with TAM, in which both beliefs viewed as distinct constructs. Each belief separately allows researchers to explore potentially influential factors in IT acceptance (Davis et al., 1989). From the perspective of IT, individuals would use computers if they perceive that there could be positive benefits (outcomes) associated with using them (Compeau and Higgins, 1995). Also, the TAM has been examined in many studies (Davis, 1989; Davis et al., 1989; Mathieson, 1991; Adams et al., 1992; Davis, 1993; Segars and Grover, 1993; Taylor and Todd, 1995), and it has been found that it not only gains a higher explanatory power but also provides more parsimonious and theoretically justified information than other models in explaining and predicting user acceptance and usage behavior of IT (Mathieson, 1991).

Researchers in the human-computer interaction environment have argued that human factors were the keys to the successful design and implementation of technological devices, and these factors entice the user’s extrinsic and intrinsic motives, directly and indirectly. Intrinsic motivation emphasized internal rewards such as pleasure and satisfaction from performing the behavior, and the other, extrinsic motivation, focused on external rewards, including incentives and gratification. Prior studies considered the different motives of the TAM and the flow experience to understand the user’s acceptance of Web usage (Koufaris, 2002; Moon and Kim, 2001; van der Heijden, 2003; Sánchez-Franco and Roldán, 2005). They described intrinsic motivation as the perceived enjoyment associated with the use of a particular technology itself, different from possible performance outcomes of the use (e.g., extrinsic motivation). When an individual’s perceived skills match the perceived challenges he or she is undertaking, a highly enjoyable state of consciousness will occur, and then the individual derives intrinsic enjoyment from the activity and tends to continue with it. Thus, perceived enjoyment associated by individuals who feel pleasure and enjoyment from adopting a given system could thus have a major impact on an individual’s response to a particular system and his or her attitudes and behaviors.

In addition to the hedonic factor, compatibility, adapted from Moore and Benbasat’s definition (1991), is an important factor influencing user intentions to adopt IT innovations, and they are defined as “the degree to which an innovation is perceived as being consistent with the existing values, needs, and past experiences of potential adopters.” Some researchers have
incorporated it into the TAM to gain a higher explanatory power for a user’s intentions when shopping online, primarily because the inclusion of compatibility was reasonable and meets his or her online shopping experiences consistent with the user’s existing styles, habits, and past experiences in physical shopping environments (Chen et al., 2002; Vijayasarathy, 2004; Jiang and Benbasat, 2007). Since communicating with others via a computer-mediated environment should be considered an innovation because of its newness relative to traditional media, compatibility is an indicator of how well an innovation fits a potential user’s values and needs.

Traditionally, interactivity is thought of as a type of face-to-face communication that facilitates all necessary and immediate clarifications, motivation, and personal attention. There have been many different descriptions and interpretations of interactivity as a concept. Kettanurak et al. (2001) thought that in an interactive multimedia environment interactivity itself includes features of frequency and modality, ranging from low to high for the degree of interactivity. A system with a high degree of interactivity can be seen a mediator-type that displays the most favorable attitude. On the contrary, a system with low degree of interactivity can be seen as assimilator-type that predominantly displays the most unfavorable attitude. Within the context of communication technologies, Rogers (1986) defined a continuum of interactivity as the degree to which technology supports/enables interaction resembling human conversation. For example, email offers some degree of interaction, and supports little or no interaction, which is a one-way information flow via human-machine interaction. Furthermore, a multimedia technology can upgrade the capabilities of a medium to present and transform information in various symbol systems such as text, audio, animation graphics, and video, all of which could elicit somewhat interesting and fun reactions. On the other hand, Burgoon et al. (2000) conceptualized interactivity with two features in the human-computer interaction environment: one is a number of structural properties that offer or permit interactivity, and the other is the processes themselves that are the phenomenological experience of interacting. The researchers categorized the nature of interactivity with eight properties: contingent, unmediated, propinquitous, synchronous, participative, modality- and information-rich, anthropomorphic, and identified. Basically, some features such as propinquitous, synchronous, participative, and modality- and information-rich are consistent with the characteristics of computer-mediated communication and promote users' higher involvement, mutuality, and individuation. Other potential characteristics such as improved usability, sense of fun and satisfaction, and time saving were widely used in evaluating the level of interactivity of a website that provides the key interface for consumer use of the Internet. Teo et al. (2003) confirmed that increased levels of interactivity have positive effects on a user’s perceived satisfaction, effectiveness, efficiency, value, and overall attitude toward a website. Different from the findings by Teo et al. (2003) about websites, Palmer (2002) argued that interactivity, in addition to its interface design with easy manipulation and utilization, should include the ability to customize the website’s appearance, feel, and content as well as provide more interactive functions for the user. Drawing upon the aforementioned functionalities, the influence of MSN services on a user’s attitude is mediated by the user’s perception of usefulness.

As mention earlier, the TAM is a parsimonious, theoretically and empirically justified model intended to explain the acceptance of IT. Attractiveness, a new construct that refers to a website’s aesthetics and layout, which are pleasing to user’s eye and feel relaxing, would enhance the user’s willingness to try a particular system. However, attractiveness can be seen as a part of direct system features that contribute to feelings of usefulness, enjoyment, and ease-of-use. Van der Heijden (2003) introduced a new construct “perceived visual attractiveness” into the TAM within the website context, and proved that it influenced usefulness, enjoyment, and ease-of-use. More recently, Ha et al. (2007) introduced a similar construct “perceived attractiveness” into the TAM to determine a user’s attitude toward a mobile game in a mobile broadband wireless environment. They argued that the effect of attractiveness between users and the system should include visuals and sound because they may make a user enjoy the experience. Also, the researchers’ results indicated that the influence of perceived attractiveness on user’s attitude is significant and via enjoyment. Therefore, the inclusion of attractiveness into the antecedent variables of perceived usefulness and enjoyment in this study should be plausible to confirm that the attractiveness/enjoyment is viewed as an intrinsic motivation, compared to the extrinsic motivation of ease-of-use/usefulness.

**RESEARCH MODEL AND HYPOTHESES**

As the objective of this study is to not only test the extended TAM model but also to apply it in the MSN services setting to user acceptance of MSN services, a series of hypotheses was proposed to test how correlation among the variables of the original TAM model and external variables affect behavioral intention to use MSN services, as shown in Figure 2. In terms of a CMC environment, a more comprehensive set of variables play significant roles in predicting or explaining an user’s intention to engage in using MSN services, including enjoyment, interactivity, compatibility, and attractiveness. All these variables were expected to have stronger correlations with either the two beliefs (perceived usefulness and perceived ease-of-use) or the attitude toward using MSN services, primarily because the emerging broadband technology with an undefined boundary between the Internet and telecommunication leads most users to re-position their communication style.

**Perceived ease of use (PEOU)**

Perceived ease-of-use (PEOU) in the TAM has been defined as the extent to which an individual believes that using a certain technology will be free of effort (Davis, 1989). This has been confirmed by several previous studies to influence behavior, either directly or indirectly via perceived usefulness (Davis, 1993; Venkatesh and Davis, 2000). In addition, Davis (1989) suggested that perceived ease-of-use would actually be an antecedent to perceived usefulness. However, some researchers have not found an explicit correlation about whether the construct in the TAM would have a significant influence on PU in evaluating consumers’ behavior when adopting technologies (Lederer et al., 2000; Straub et al., 1997; Teo et al., 1999). On the contrary, Anandarajan et al. (2000) and Kleijnen et al. (2004) argued that when users perceived the services to be easy to use, it was more likely they would easily recognize the perceived usefulness of the new technology. In addition, it could directly lead to a more favorable attitude, as well as indirectly influence via perceived enjoyment and PU (Moon and Kim, 2001; van der Heijden, 2003). These correlations could be developed possibly because a system was perceived to be easy to use and useful for personal usage, and the system itself, being associated more enjoyable content, would simultaneously increase a user’s internal motivation, leading to a positive attitude to using it. That is, the easier a system is to use, the more the system itself is associated with enjoyment. For MSN services,
several functional settings can contribute to manipulation without cumbersome navigation options, and it provides a variety of personal settings for most users. Here, perceived ease-of-use is defined as the extent to which users’ adoption of MSN services is perceived as easy or effortless. In sum, we hypothesize as follows:

**H1:** Perceived ease-of-use will positively influence Perceived Usefulness

**H2:** Perceived ease-of-use will positively influence attitude toward usage.

**H3:** Perceived ease-of-use will positively influence perceived enjoyment.

**Perceived usefulness (PU)**

Perceived usefulness (PU) in the TAM was the degree to which an individual believed that using a certain technology would enhance his or her performance and lead his or her attitudes toward using a specific system (Davis, 1989). Such attitudes together with PU would subsequently determine use intention, and furthermore, this would lead to the actual use of the system. Prior studies indicated that PEOU and PU affected behavioral intentions through “direct” and “indirect” forms (Agarwal and Karahanna, 2000; Venkatesh and Davis, 2000). Other researchers posited that PU had a direct impact on intention whereas PEOU had only an indirect effect on intention through PU (Szajna, 1996; Chen et al., 2002). In recent years, Ramayah and Lo (2007) argued that PEOU and PU were important predictors of the decision to not only adopt a technology but also to continue using that technology. Therefore, perceived usefulness is defined as how well users believe MSN services can be integrated into their daily activities. When this belief increases, the consumers’ attitude to MSN services will be more positive, and subsequently, their intention to use these services will increase. In sum, we hypothesize as follows:

**H4:** Perceived usefulness will positively influence attitude toward usage.

**H5:** Perceived usefulness will positively influence behavioral intention regarding usage.

**Perceived Enjoyment (PE)**

Enjoyment refers to the extent to which the activity of using a computer is perceived to be enjoyable in its own right, in contrast to PU, which can be thought of as an extrinsic motivation; whereas perceived enjoyment (PE) is an intrinsic motivation to use information systems (Davis et al., 1992). Perceived enjoyment represents an intrinsic motivation that may also be stimulated by intrinsic psychological rewards for use of a given system (Anandarajan et al., 2000; van der Heijden, 2003). Quite similar to the concept of PE, perceived playfulness, which refers to an individual’s tendency to interact spontaneously with a system, can be considered to be either a state of mind or an individual’s characteristics. A state of mind is a temporary cognitive experience felt by the individual, and an individual’s characteristic represents a tendency with stable and slow changes over time (Igbaria et al., 1994; Moon and Kim, 2001). However, PE or perceived playfulness yields more favorable ease-of-use perceptions, because this induces a higher level of enjoyment and enhances the users’ intrinsic motivation. Recent studies found that a system with more entertainment features improved consumers’ attitudes toward using a given system, and consequently increased their intentions to return to the system (Bruner II and Kumar, 2005; Jiang and Benbasat, 2007; Liao et al., 2007). In sum, we define perceived enjoyment as being a system-specific trait that users who experience pleasure and joy from using MSN services, and users who perceive any activity involving use of it as inherently enjoyable are likely to use it more comprehensively than others. Thus, we hypothesize:

**H6:** Perceived enjoyment will positively influence attitude toward usage.
Interactivity (ITA)

A new construct, interactivity, has not been discussed and incorporated into the TAM in explaining the user’s acceptance of IT yet, including online shopping and Internet usage. Interactivity was indicated as a useful concept for the CMC environment because interactivity is viewed as a bridge between mass and interpersonal communication, the meeting of mediated and direct communication. Rafaeli and Sudweeks (1997) argued that interactivity was not thought of as a characteristic of the medium but as a process-related construct about communication that could lead to sociability. Interactivity expressed the degree to which messages in a sequence related to each other, and especially kept messages updated. Therefore, the concept of interactivity is a likely influential variable in explaining how users adopting a new IT and interpersonal communication via a computer-mediated environment stick together. Burgoon et al. (2000) categorized the properties of interactivity in human-computer interaction (HCI) into eight features of interactivity with some structural properties and processes that provided anthropomorphic features of the interface to participants, who perceived it as being a quasi face-to-face communication and two-way message exchange without the limitations of distance, time, and mechanical medium.

In essence, the interactivity level of a CMC environment provided both asynchronous and synchronous audio and message transmissions to users that were expected to be highly related to users’ attitude to the system itself with usability, where a website was perceived by a user to be satisfying, effective, efficient, and valuable. High-level interactivity in the design of the website will lead to increased feelings of satisfaction with and effectiveness of information flow, and then contribute to attitude (Teo et al., 2003). These mediated characteristics were more similar to perceived usefulness in the TAM. From the mechanical perspective of the interactivity of information systems, a computer-mediated environment that is described as more interactive provides users with autonomy in determining what kinds of content they want to set, tracking the pace at which they want to proceed, as well as providing synchronous feedback (Jiang and Benbasat, 2007). Therefore, interactivity is defined as the extent to which a mediated environment provides a wide array of content in real time with users who can modify, control, and manipulate to get good mapping and quick transitions between a user’s input and the resulting actions. In sum, we hypothesize:

H8: Interactivity will positively influence perceived usefulness.

Perceived Attractiveness (ATTR)

Perceived attractiveness of new technologies or innovative services derived from their unique characteristics will be more appealing to get users’ attention, such as a website with an aesthetically pleasing design or colorful layout that has been confirmed as forming cognitive and affective psychological responses, and in turn, directly and indirectly driving a favorable attitude (van der Heijden, 2003). He thought of perceived attractiveness as the visual attractiveness of the portal website, whose aesthetic designs were presented by the colorfulness and overall layout. A portal website with a beautiful appearance will be associated with users’ positive beliefs, implying that a system that is more attractive in appearance will be more useful and easy to use. Similar to these results, mobile games embedded with visual and acoustic effects provided an impressive and enjoyable activity, and then drove a positive attitude and perceived enjoyment because this characteristic was pleasing when enjoying the experience (Ha et al., 2007). However, in terms of product attributes, MSN services added more novel and creative functions that there were previously based on the innovative technique of IT, which enriched the individual’s communication availability, not only in text messages (e.g., email) but also face-to-face communication (e.g., MSN-installed microphone and webcam). Therefore, perceived attractiveness in the research was defined as the extent to which the somewhat attributed changes of a product or service to the counterpart will refresh the user’s internal motivation, and directly or indirectly lead to a positive attitude toward using the product or service. This construct, apart from the influential antecedents of both perceived enjoyment and usefulness, is expected to be a predictor of a user’s attitude toward adopting MSN services. In sum, we hypothesize:

H9: Perceived attractiveness will positively influence perceived enjoyment.

H10: Perceived attractiveness will positively influence attitude toward usage.

Compatibility (COMP)

Compatibility, derived from an important attribute of Innovation Diffusion Theory, was perceived as “consistent with the existing values, past experience, and needs of potential adopters” (Rogers, 1995). With the rapid development of Internet technologies, high-speed access to the Internet is becoming more convenient and saving time at home or the office. The study by Bellman et al. (1999) regarding predictions of online buying behavior found that users who spent more time using the Internet at the office regularly for work and ordering from catalogs would be more willing to buy products or services on the Internet. Such users have been on the Internet for years, and their lifestyles were highly dependent on the Internet for most of their other activities, such as receiving a large number of messages or reading the news every day (Bellman et al., 1999).

Further support for the inclusion of compatibility in the TAM that sought understanding of a user’s acceptance and use of an innovative technology are offered in relation to information systems, such as website usage (Agarwal and Prasad, 1997), online shopping (Chen et al., 2002; Vijayasarathy, 2004; O’Cass and Fenech, 2003), and mobile commerce (Wu and Wang, 2005). These studies have confirmed a higher correlation between compatibility and a user’s attitude. Therefore, compatibility is defined as the extent to which a user believes that using MSN services to connect with others will fit his or her existing lifestyle, needs, and past experiences. In sum, we hypothesize:

H11: Compatibility will positively influence perceived usefulness.

H12: Compatibility will positively influence perceived enjoyment.

H13: Compatibility will positively influence attitude toward usage.

Attitude (ATT)

Attitude has long been thought of as an antecedent indicator of intentions. The theory of reasoned action argued that a favorable attitude toward a product leads to higher intentions to purchase the product simply because the user can perceive the benefit of using the product. A user’s attitude toward a behavior was
determined by the “consequences of performing the behavior multiplied by the evaluation of those consequences” (Fishbein and Ajzen 1975). However, attitude is classified into two constructs: one is for the attitude toward the object, and the other is for the attitude toward the behavior. The latter refers to an individual’s evaluation of a specified behavior, and then results in a certain behavior action. In the TAM, attitude was posited that a user forms intentions toward using a particular system was based largely on a cognitive appraisal of how it would improve his or her performance, and then defined attitude as the mediating affective response between a user’s internal beliefs and his or her intentions to use a particular system (Davis, 1989). As discussed above, some researchers have empirically confirmed attitude to be fully correlated with intentions in evaluating the behavior of online shopping, meaning that a user with a more favorable attitude toward online shopping may be likely to engage users in implementing the shopping behavior, which reinforces the likelihood of purchasing products on the Internet (O’Cass and Fenech, 2003; Chen et al., 2002; Vijayasarathy, 2004; Jiang and Benbasat, 2007).

In terms of MSN services, its features received the most attention and are used most widely for connecting to others via a computed-mediated environment. In this research, attitude is defined as the degree to which a user likes MSN services and perceives it as being helpful and beneficial. Thus, we hypothesize:

**H14:** Attitude will positively influence behavioral intention toward usage.

**Behavioral Intention (BI)**

According to TRA, a user’s performance of a specified behavior was determined by his or her behavioral intention to perform the behavior, and also a user’s behavioral intention was highly correlated with his or her attitude and subjective norm (Fishbein and Ajzen 1975). Yet, in the TAM model, behavioral intention used self-reported measures of current use and intended use for the next several months for each of the major functions provided by a particular system (Davis et al., 1989). Prior research widely used this construct as a surrogate for actual behavior because behavioral intention found stronger support for a correlation between the intention to engage in a behavior and the actual behavior, and for a more parsimonious model (Dabholkar and Bagozzi, 1989). Hence, when a user accepts and uses MSN services, he or she are accepting and using technologies and innovations, consistent with the TRA and TAM.

**Actual Use (USE)**

The main objective of TAM was used to explain and predict user’s behavior in a specific situation (Davis, 1989; Davis et al., 1989). To validate the model, actual use had to be measured through self-reporting, which normally consisted of two or three questions about the frequency of use and total of time spent period using the system in a certain period of time (Legris et al., 2003; van der Heijden, 2003; Moon and Kim, 2001). Hence, when a user accepts and uses MSN services, he or she are accepting and using technologies and innovations, consistent with the TRA and TAM.

**METHODOLOGY**

This study is meant primarily to analyze a user’s behavior when adopting the MSN services aspects, independent of using it for tasks or organization. To develop a questionnaire suited for measuring users’ behavior, multiple items for all constructs were adapted from the measures used in the reviewed literature. All constructs were verified to have a high reliability and validation in explaining a user’s acceptance of IT or an innovative product. The complete questionnaire is presented in the Appendix. A total of 25 items were proposed, corresponding to eight constructs, and the scales was measured using a five-point Likert scale ranging from “strongly disagree” to “strongly agree” to unify the scale types.

**Pilot study**

To further confirm the reliability and validity of the questionnaire, two required measure procedures were adopted as follows: First, a paper-and-pencil pilot was tested from a convenience sample of 45 undergraduate students who come from a medium university in southern Taiwan, where respondents have used MSN services during the last 6 months. The 45 respondents of this test were asked to provide comments on the wording of the questionnaire items. Based on the comments, some of the questionnaire items were dropped or changed to give colloquial

**Table 1: Demographic Characteristics**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>436</td>
<td>54.1%</td>
</tr>
<tr>
<td>Female</td>
<td>370</td>
<td>45.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 20</td>
<td>52</td>
<td>6.45%</td>
</tr>
<tr>
<td>20-26</td>
<td>166</td>
<td>20.60%</td>
</tr>
<tr>
<td>27-33</td>
<td>338</td>
<td>41.94%</td>
</tr>
<tr>
<td>34-40</td>
<td>205</td>
<td>25.45%</td>
</tr>
<tr>
<td>41-50</td>
<td>34</td>
<td>4.22%</td>
</tr>
<tr>
<td>&gt;50</td>
<td>11</td>
<td>1.34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational level</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school</td>
<td>16</td>
<td>1.99%</td>
</tr>
<tr>
<td>Technical degree</td>
<td>123</td>
<td>15.26%</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>488</td>
<td>60.54%</td>
</tr>
<tr>
<td>Graduate degree</td>
<td>174</td>
<td>21.59%</td>
</tr>
<tr>
<td>PhD</td>
<td>5</td>
<td>0.62%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>86</td>
<td>10.67%</td>
</tr>
<tr>
<td>Employee</td>
<td>22</td>
<td>2.73%</td>
</tr>
<tr>
<td>Technician</td>
<td>30</td>
<td>3.72%</td>
</tr>
<tr>
<td>Engineering</td>
<td>145</td>
<td>17.99%</td>
</tr>
<tr>
<td>Sales</td>
<td>378</td>
<td>46.89%</td>
</tr>
<tr>
<td>Executive</td>
<td>3</td>
<td>0.37%</td>
</tr>
<tr>
<td>Others</td>
<td>162</td>
<td>20.09%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average hours spent on MSN per day</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1</td>
<td>129</td>
<td>16.0%</td>
</tr>
<tr>
<td>1-3</td>
<td>282</td>
<td>34.99%</td>
</tr>
<tr>
<td>3-6</td>
<td>170</td>
<td>21.09%</td>
</tr>
<tr>
<td>6-9</td>
<td>93</td>
<td>11.54%</td>
</tr>
<tr>
<td>&gt;9</td>
<td>132</td>
<td>16.38%</td>
</tr>
</tbody>
</table>
wording to the subject. Next, a revised questionnaire was conducted for the second pilot test of respondents, industry experts with more than 3 years of experience in using MSN services, who were employed to review it, to further make sure that the revised questionnaire was appropriate for measuring the adoption motivation of existing MSN users. Finally, by eliminating a series of inadequate phrases and ambiguous expressions, a revised questionnaire was created in which all constructs reached the recommended value of Cronbach’s alpha (> .7), and factor analysis for convergent validity was conducted. The statistical results from the revised pilot test indicated they have relatively high reliabilities for all constructs.

MSN-based survey

To further make sure that the actual usage of MSN services yielded to the hypothesized model, a MSN-based survey was sent through an MSN platform that provides email service as a Word file attachment. A cover letter was delivered via MSN hotmail.com to respondents who use MSN services that explained that the study would only used for academic research, and personal privacy would be respected. Slightly different from the online survey, a questionnaire was posted on dedicated website addresses and well-known portal websites that conveniently collected sample data and could increase the response rate (Chen et al., 2002; Choi et al., 2003; van der Heijden, 2003; Liao et al., 2007). However, this could have created potential measure bias in evaluating an actual user’s behavior, mainly because some online users did not use a specific system or there were double responses from the same users.

To gain a wide range of MSN users, more versatile ways of using MSN communities provided a relatively convenient data pool, including campuses, profit and non-profit organizations, and many groups that viewed MSN services as a common chat lobby. A total of 825 questionnaires were received from the various MSN communities by Hotmail during the five-week survey period, and then all questionnaires were examined by comparing the respondents’ Hotmail accounts to avoid double responses that could affect reliability and validation. After data-filtering to eliminate incomplete responses, the number of usable sample sizes was 806 for data analysis. The descriptive statistics of the respondents’ profiles are shown in Table 1, indicating that the distribution of respondents was relatively consistent with the authors’ expectation: those who are well-educated and between 20 and 40 are more willing to adopt MSN services, and they spent more than 1 hour per day using it to connect others. This finding was consistent with the investigation of online population by Bellman et al. (1999) via the Wharton Virtual Test Market (WVTM) that found that the online population consisted of younger (the age of median is 29) and more educated (the median education is some college) users. In addition, a particular website (van der Heijden, 2003; Chen et al., 2002) or posts on famous portal websites for data collection (Choi et al., 2003) were employed possibly because the majority of the respondents to the online survey, who were novelty-seeking for use and enjoyment, were usually perceived to be younger, and somewhat computer experienced, these respondents will closely relate to the objective of convenience and saving time in evaluating the acceptance of MSN services.

<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>Completely Standardized Factor Loadings And Construct Reliability Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PU</td>
</tr>
<tr>
<td>PU1</td>
<td>.852</td>
</tr>
<tr>
<td>PU2</td>
<td>.832</td>
</tr>
<tr>
<td>PU3</td>
<td>.735</td>
</tr>
<tr>
<td>PEOU1</td>
<td>.944</td>
</tr>
<tr>
<td>PEOU2</td>
<td>.934</td>
</tr>
<tr>
<td>ITA1</td>
<td>.849</td>
</tr>
<tr>
<td>ITA2</td>
<td>.855</td>
</tr>
<tr>
<td>COMP1</td>
<td>.801</td>
</tr>
<tr>
<td>COMP2</td>
<td>.886</td>
</tr>
<tr>
<td>COMP3</td>
<td>.884</td>
</tr>
<tr>
<td>PE1</td>
<td>.879</td>
</tr>
<tr>
<td>PE2</td>
<td>.919</td>
</tr>
<tr>
<td>PE3</td>
<td>.895</td>
</tr>
<tr>
<td>ATTR1</td>
<td>.914</td>
</tr>
<tr>
<td>ATTR2</td>
<td>.911</td>
</tr>
<tr>
<td>ATT1</td>
<td>.831</td>
</tr>
<tr>
<td>ATT2</td>
<td>.810</td>
</tr>
<tr>
<td>ATT3</td>
<td>.835</td>
</tr>
<tr>
<td>B11</td>
<td>.857</td>
</tr>
<tr>
<td>B12</td>
<td>.766</td>
</tr>
<tr>
<td>USE1</td>
<td></td>
</tr>
<tr>
<td>USE2</td>
<td>.726</td>
</tr>
<tr>
<td>Construct Reliability</td>
<td>.856</td>
</tr>
</tbody>
</table>

RESULTS

To gauge whether the measurement model formed by the samples was fitted or not, a two-step approach using LISREL 8 analysis was conducted to model construction and testing (Anderson and Gerbing, 1988). First, by eliminating the measured variables or latent factors from the measurement that would not well fit with the original, confirmatory factor analysis (CFA) was evaluated. Second, as a review of the modification indices associated
with some evidence of misfit in the model, the structural model was used to represent the correlation between exogenous variables and endogenous variables, and between endogenous variables.

**Measurement model evaluation**

Following the suggestions of Anderson and Gerbing (1988), all measured variables designed to correspond to constructs in the measurement model were assessed and tested using CFA analysis. By inspecting the LISREL-produced output, a combination of diagnostic measures, including residuals, standardized residuals, and modification indices (MIs) were used to assess the overall model fit of a CFA model. First, loading score estimates for all measured variables corresponding to its construct fall below the .50 cutoff, which would become a prime candidate for deletion. Next, observing these measured variables, with a standardized residual greater than |2.5| correlated with other measured variables, provided further evidence that it might need to be dropped. Finally, to address the issue of unidimensionality that no measured variable was determined by more than one construct, each item associated with higher MIs (> 4.0) would be deleted from the original model, meaning that some cross-loadings were hypothesized to be zero when a unidimensional construct existed (Byrne, 1998; Hair, et al., 2006).

In reviewing of the LISREL output file, the largest MIs for the factor loading matrix were presented. Because of some additional relationships between PEOU3 and the latent construct Interactivity (ITA) and between ITA3 and the latent construct Attractiveness (ATTR), more than one construct significantly existed because of higher MIs, respectively. Also, the third item of attractiveness (ATTR3) fell below the .50 cutoff (.43) at the completely standardized loadings, and its high standardized residuals associated with between ATT3 and PE1 (8.42). Thus, based on the aforementioned diagnostic measures, PEOU3, ITA3, and ATTR3 were deleted.

**TABLE 3**

<table>
<thead>
<tr>
<th>Construct Correlations And Average Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>PU</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>PU</td>
</tr>
<tr>
<td>PEOU</td>
</tr>
<tr>
<td>ITA</td>
</tr>
<tr>
<td>PE</td>
</tr>
<tr>
<td>COMP</td>
</tr>
<tr>
<td>ATTR</td>
</tr>
<tr>
<td>ATT</td>
</tr>
<tr>
<td>BI</td>
</tr>
<tr>
<td>USE</td>
</tr>
</tbody>
</table>

Note: Diagonal represents average variance extracted by each construct (in bold), and off-diagonals represent the squared correlations between latent variables.

**TABLE 4**

<table>
<thead>
<tr>
<th>Fit statistics</th>
<th>Suggested</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square/d.f.</td>
<td>=2 - 5</td>
<td>2.645</td>
</tr>
<tr>
<td>Goodness-of-Fit (GFI)</td>
<td>=.90</td>
<td>.951</td>
</tr>
<tr>
<td>Adjusted GFI (AGFI)</td>
<td>=.90</td>
<td>.928</td>
</tr>
<tr>
<td>Comparative Fit Index (CFI)</td>
<td>=.90</td>
<td>.994</td>
</tr>
<tr>
<td>Normed Fit Index (NFI)</td>
<td>=.90</td>
<td>.990</td>
</tr>
<tr>
<td>Non-normed Fit Index (NNFI)</td>
<td>=.90</td>
<td>.992</td>
</tr>
<tr>
<td>Root Mean Square Error of Approximation (RMSEA)</td>
<td>=.05</td>
<td>.045</td>
</tr>
<tr>
<td>Standardized Root Mean Square (SRMR)</td>
<td>=.05</td>
<td>.024</td>
</tr>
</tbody>
</table>

**Construct reliability and validity**

Using a series of purified measurement models, the results of the measurement models are presented in Table 2. The qualities of the measurement efforts were unidimensionality, convergent validity, and reliability. Evidence for the unidimensionality of each construct included appropriate items that loaded at least .726 on their underlying construct in a CFA model. Thus, the overall goodness-of-fit supported unidimensionality (Steenkamp and van Trijp, 1991). Convergent validity was assessed by all loadings (> .50) on a factor as well as all loadings being significant (p < .01), meaning that each construct converged on some common point by the purified measurement model (Byrne, 1998; Hair, et al., 2006). In addition, reliability indicators in assessing all constructs were examined in two steps. First, the R² (the squared multiple correlations) for each observed item in the LISREL 8 output file reported that the model parameters were all significant (p < .01) and explained substantial amounts of item variance exceeding .50 (Hilderbrandt, 1987). Next, the composite reliability for a construct was computed from the squared sum of completely standardized factor loadings and the sum of the completely standardized error variance terms. Results revealed that all values for both reliabilities’ estimates were computed ranging from .795 to .937, exceeding the rule of thumb that .70 or higher suggested good reliability (Bagozzi and Yi, 1988; Fornell and Larcker, 1981).
Further analysis in assessing validation of a measurement model, a stronger test for discriminant validity provided by Fornell and Larcker (1981), was tested by comparing the average variance extracted (AVE) by the underlying construct and the squared interconstruct correlations. As shown in Table 3, all AVE estimates for each construct, ranging from .653 to .882, were greater than .50 (displayed on a diagonal of a correlation matrix), and the AVE value by each construct was found to be greater than the squared correlations between latent constructs in the corresponding rows and columns (displayed on an off-diagonal). Results indicated that each construct shared more variance with its items than other constructs. Therefore, this test did not suggest a problem with discriminant validity. Taken together, evidence from the summary of Table 2 and Table 3 supported the convergent and discriminant reliability of the measurement model. Overall, the assessment of validity and reliability revealed that the model worked relatively well; thus, all items were retained at this point, and adequate evidence of convergent validity was provided.

### TABLE 5

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path coefficient</th>
<th>t-value</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Perceived Ease of Use → Perceived Usefulness</td>
<td>0.25**</td>
<td>6.23</td>
</tr>
<tr>
<td>H2</td>
<td>Perceived Ease of Use → Attitude</td>
<td>0.26**</td>
<td>8.60</td>
</tr>
<tr>
<td>H3</td>
<td>Perceived Ease of Use → Perceived Enjoyment</td>
<td>0.07*</td>
<td>2.14</td>
</tr>
<tr>
<td>H4</td>
<td>Perceived Usefulness → Attitude</td>
<td>0.11**</td>
<td>2.62</td>
</tr>
<tr>
<td>H5</td>
<td>Perceived Usefulness → Behavioral Intention</td>
<td>0.07</td>
<td>1.61</td>
</tr>
<tr>
<td>H6</td>
<td>Perceived Enjoyment → Attitude</td>
<td>0.21**</td>
<td>4.22</td>
</tr>
<tr>
<td>H7</td>
<td>Interactivity → Perceived Usefulness</td>
<td>0.12</td>
<td>2.43</td>
</tr>
<tr>
<td>H8</td>
<td>Attractiveness → Perceived Usefulness</td>
<td>0.13**</td>
<td>2.80</td>
</tr>
<tr>
<td>H9</td>
<td>Attractiveness → Perceived Enjoyment</td>
<td>0.21**</td>
<td>6.31</td>
</tr>
<tr>
<td>H10</td>
<td>Attractiveness → Attitude</td>
<td>0.13**</td>
<td>3.95</td>
</tr>
<tr>
<td>H11</td>
<td>Compatibility → Perceived Usefulness</td>
<td>0.43**</td>
<td>8.92</td>
</tr>
<tr>
<td>H12</td>
<td>Compatibility → Perceived Enjoyment</td>
<td>0.60**</td>
<td>12.68</td>
</tr>
<tr>
<td>H13</td>
<td>Compatibility → Attitude</td>
<td>0.34*</td>
<td>6.22</td>
</tr>
<tr>
<td>H14</td>
<td>Attitude → Behavioral Intention</td>
<td>0.80**</td>
<td>14.50</td>
</tr>
<tr>
<td>H15</td>
<td>Behavioral Intention → Actual Use</td>
<td>0.56*</td>
<td>14.35</td>
</tr>
<tr>
<td>H16</td>
<td>Perceived Usefulness → Perceived Enjoyment</td>
<td>0.09*</td>
<td>1.99</td>
</tr>
</tbody>
</table>

Note: **p < .01, *p < .05

In Table 4, the values of the fit statistics are reported. The overall model $\chi^2$ is 457.69 with 173 degrees of freedom, and its $p$-value associated with this result was significant ($p < .001$; Bollen, 1989). This result did not indicate that the observed covariance matrix matched the estimated covariance within the sampling variance. However, given the problems associated with using this test alone, the other index values were supportive. For example, the ratio of the chi-square to the degree of freedom (d.f.) is within the acceptable level of 2 to 5 (Marsh and Hovecar, 1985); the goodness of fit indices for GFI, AGFI, NFI, NNFI, and CFI are well above the minimum criterion standards (> .90) suggested by Jöreskog and Sörbom (1996) and Hu and Bentler (1995); and the RMSEA and SRMR in evaluating standardized residual were all below the recommended lower threshold of .05 (the recommended range of acceptability: < .05 - .08) (MacCallum et al., 1996). All indices indicated a good absolute fit for the data. Given that at least one absolute fit index and the incremental fit indices are accurate and that the model was developed from a theoretical basis, these results enabled an evaluation of the structural equation to proceed.

### Structural model evaluation

The causal structural of the proposed research model was tested by using structural equation modeling (SEM). To validate whether or not to respecify and reestimate the structural model, the issue of post hoc model-fitting was addressed further for all potential paths that existed in the structural model. In other words, new paths with statistical significance could be explored among the constructs and resulted in the overall model-fitting yielded on selected goodness-of-fit statistics ($\chi^2$/df, GFI, CFI, NFI, NNFI, RMSEA, and SRMR). In reviewing the statistics reported by the LISREL 8 output file, evidence from the matrix of endogenous variables revealed that a new path flowed from perceived usefulness (PU) to perceived enjoyment (PE) in the largest modification indices (8.20), which suggested that a possible impact from PU to PE existed, as opposed to the findings of Ha et al. (2007) and Liao et al. (2007). They found that PE and PU were highly related with each other, which was indicative of a causal relationship from PE to PU. However, this result suggested that if a new path were to be respecified in the structural model, goodness-of-fit would be a substantial improvement (Bollen, 1989; Byrne, 1998).

### TABLE 6

<table>
<thead>
<tr>
<th>Fit statistics</th>
<th>Suggested</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square/d.f.</td>
<td>2 - 5e*</td>
<td>3.025</td>
</tr>
<tr>
<td>Goodness-of-Fit (GFI)</td>
<td>=.90</td>
<td>.919</td>
</tr>
<tr>
<td>Adjusted GFI (AGFI)</td>
<td>=.90</td>
<td>.992</td>
</tr>
<tr>
<td>Comparative Fit Index (CFI)</td>
<td>=.90</td>
<td>.988</td>
</tr>
<tr>
<td>Normed Fit Index (NFI)</td>
<td>=.90</td>
<td>.990</td>
</tr>
<tr>
<td>Non-normed Fit Index (NNFI)</td>
<td>=.05</td>
<td>.050</td>
</tr>
<tr>
<td>Root Mean Square Error of Approximation (RMSEA)</td>
<td>=.05</td>
<td>.031</td>
</tr>
<tr>
<td>Standardized Root Square (SRMR)</td>
<td>=.05</td>
<td>.031</td>
</tr>
</tbody>
</table>
An illustration of the revised structural model is shown in Figure 3. The statistical significance of all standardized path coefficients was examined, including one new link from PU to PE. From a user’s perspective, this path is a reasonable causal relationship: that if an individual perceived that using MSN services is useful as well as helpful for communicating with others, then he or she would be enticed to perceive it as enjoyable via actual manipulation. A system high in perceived usefulness not only creates a positive user-performance relationship but also is associated with a hedonic factor that will enhance a user’s motivation to use a system. The structural parameter estimates and the hypothesis-testing results are summarized in Table 5.

Hypotheses 1-3 are supported by evaluating the impact of PEOU on PU, attitude, and PE, which are consistent with prior research (Moon and Kim, 2001, van der Heijden, 2003). Hypothesis 4 is supported, but Hypothesis 5 is not supported. This implies that higher PU of adopting MSN services does not directly lead to a higher user’s intention toward using it, but indirectly influences via the user’s attitude. A similar finding was validated by the work of Chen et al. (2002). Also, the aspect of product traits (Hypotheses 7-10) and user’s characteristics (Hypotheses 11-13), all hypothesized paths, as expected, were confirmed to be statistically significant. Again, two correlations between a user’s attitude and behavioral intention (Hypothesis 14) and between behavioral intention and actual use (Hypothesis 15) are strongly supported, respectively.

To test how well the revised model fit the data, the selected goodness-of-fit statistics related to the hypothesized mode are summarized in Table 6. Results from the estimation of the structural model indicated that, except for the overall chi-square value associated with a small probability value ($\chi^2 = 565.78$, d.f = 187, $p < .001$), which rejected the null hypothesis, the selected indices of goodness-of-fit were presented as outstanding values of model-fitting to the sample data. However, these important indicators have been discussed previously. Overall, the revised model of model-fitting was shown to be superior to that of the original structural model. Apparently, the inclusion of the new path in a revised model was considered to be meaningful, both substantively and statistically justifiable. Based on rule-of-thumb criteria, the revised model had an outstanding fit with the data.

**IMPLICATIONS AND DISCUSSION**

The results generated the following insights into understanding a user’s adoption of MSN services:

1. The original TAM theory is still valid in explaining and predicting a user’s adoption of the MSN context.

2. Users’ willingness to accept and adopt MSN services through a CMC environment can be predicted reasonably well from their behavior, which is determined by their attitude.

3. A product’s attractiveness to existing users not only directly influences users’ attitude toward using MSN services but also indirectly impacts their attitude through PU and PE.

4. Similar to attractiveness, compatibility coming from an innovative attribute of MSN services that matches with users’ values and beliefs affects their attitude, with direct and indirect significance.

5. The influence of a product’s interactivity on users’ attitude is primarily determined by their belief, which is viewed as to be useful or helpful, rather directly contributing to their attitude. Users perceive interactive functions provided by MSN services to be the same as perceived usefulness.

6. The influence of PE on users’ attitude toward using MSN services has a more significant impact than PU. Thus, this hedonic factor can be viewed as an endogenous mediator between users’ attitude and external variables.

The research model was mainly derived from the original TAM model, and added specified innovation attributes. The results from an empirical test indicate that the research model was successfully applied to explain and predict users’ acceptance of MSN services although one hypothesized path showed no significant relationship between PU and BI. However, this relationship has been validated by Chen et al. (2002), Vijayasarathy (2004), and Liao et al. (2007). These studies posited that their model focused on personal use of IT, irrespective of job-related or organizations. Therefore, the influence of a user’s behavior on a particular system or service is fully dominated by his or her attitude, not perceived usefulness that provided a use to enhance his or her effectiveness of the work. In addition, after a series of model-fitting processes performed by vigorous CFA and SEM analysis, the verification and the respecification of the research model play important roles in deciding whether or not the proposed theories may be inferred to other relevant domains, such as VoIP (Voice over Internet Protocol) or Wimax (Worldwide Interoperability for Microwave Access).

Some findings indicate some important implications for telecom operators and developers of computer-mediated communications. Incumbent operators can apply the framework to predict users’ willingness to accept and adopt their new services, diagnose the reasons for low acceptance of their products or services, and develop sale strategies for potential users. The key point in deciding whether or not to accept is a user’s attitude toward overall evaluation of an innovation or services. If users have a more positive attitude that entices internal beliefs toward a new product or service, they would be more likely to accept and use it. Furthermore, this research model also offers insights into how to achieve this; a more positive user attitude can be adequately incited by enhancing a variety of interactive interfaces, a relatively attractive website design, and a CMC’s compatibility with the user’s values, needs, and lifestyle. These traits can substantially help to increase a user’s intrinsic and extrinsic motivation, both directly and indirectly, not only focusing on PU and PEOU. For example, MSN services converge aspects of Internet and telecom features in a computer, including a customized interface to allow users’ synchronous voice and message transmissions without interrupting their computer use.

How can MSN services make services that are more compatible to users’ needs and lifestyle? Incumbent operators can begin trying to understand users’ behavior while surfing websites, and the degree to which users rely on the Internet. However, the requirement of interpersonal communication and free use from a personal computer to connect to a ubiquitous Internet network are two salient factors that influence a user’s attitude. First, the aggregate volume of data or texts were delivered by a history of using email via the Internet and dedicated interactive access over IP networks from users’ workplace or home. Basically, email was
widely used by an organization’s intranet for employees to communicate with each other, or mail to and from the Internet. Its features are confined to data transmission, but do not cover voice connection that can substantially increase a user’s communication performance, and other interaction functions driven largely by good mapping, quick response, and a range of ways to manipulate the interface in a computer-mediated environment. However, these discrepancies between MSN services and the email system can be thought of as more useful for most early adopters of MSN services, and strive to attract those late adopters and laggards by means of the desired level of prevalence. Next, the expanded functions of MSN services in a computer-mediated environment, such as versatile symbols suited for personalization, real-time chat online with other MSN users as well as automatic pop-up messages notice on the corner of screen when a MSN user logs in to a system, etc., should result in a greater role for enjoyment as a predictor of a user’s adoption behavior of MSN services. Once users experience these characteristics, the benefits of using interactive MSN services as compared to an email system are important in delineating whether users will have a more positive attitude toward these interactive features. From the mechanical perspective of the interactivity of MSN services, interface designers spend a great deal of time developing appropriate mappings to help users manage information and transform it into useful information.

Returning to the significant relationship between interactivity and PU, an interface that employs high levels of interactivity should enhance its usability, whose functions include how fast the speed response is from its content, what diversified methods can be provided by the content, and how good the personal design matches the user’s needs. The finding indicates that web interaction will influence its usability. In other words, the higher the level of interactivity a user perceives MSN services to be in a computer-mediated environment, the easier user makes it available. For instance, the web browsing design of amazon.com offers a more lively interaction to new visitors or buyers, and easy and seamlessly accessibility to the users’ targets. When users enter the homepage of amazon.com to surf or to buy products, their identity can be instantly discriminated via a series of complicated and systematic designs, and the website can conveniently and accurately search for their needs associated with relevant information. This technology with a high level of interactivity should be more similar to a direct experience with a product, regardless of distance or time.

Although MSN services provide a relatively useful medium in a computer-mediated environment, an unexpected result, as discussed earlier, is the lack of a direct path between PU and BI. From a theoretical view of the TAM, this was expected to be a strong association; good fit between the characteristics of the MSN services and a user’s perception of availability should be interpreted by a user as the high perceived usefulness of tools communicating directly with each other in a computer-mediated environment. In other words, this explanation for such a finding is based on the fact that in CMC settings, the usefulness of MSN services, including convenience, a variety of functions, interactive multimedia content, and high performance for users, is key, and behavioral intentions will be formed based on the abovementioned considerations rather than simply on individual likes or dislikes with respect to performing a behavior. Thus, users’ decisions to use MSN services may be closely related to their attitude, independent of their behavioral intention. They will use this service primarily because they think it will help them improve, or at least maintain, their social interaction.

The influence of attractiveness on attitude not only plays an important influential factor but also can be viewed as a bridge between external variables and attitude. This implies that enjoyment is indeed a powerful mediator between beliefs, system attributes, and attitude toward using MSN services. From prior studies, the addition of enjoyment to the original TAM provided a further level of an explainable and predictable model for user acceptance of an innovative product or services, such as online shopping (Childer et al., 2001; O’Cass and Fenech, 2003; Vijayasarathy, 2004), website usage (van der Heijden, 2003; Kim and Moon, 2001), 3G services (Liao et al., 2001; Wu and Wang, etc. A common view based on these results can make two reasonable inferences: First, a system with more useful or less effort would help users enhance their performance in the workplace (for job-related context) or personal usage, and then lead to a more positive attitude toward using it. Second, over and above these functions, a system with both enjoyment and entertainment functionality would have a stronger impact on attitude for an individual’s usage than beliefs. This finding substantially reflects target groups who perceive MSN services not just as a channel communicating with others but also viewed it as a “time-killer” at their leisure, through so-called leetspeak, Internet lingo that substitutes symbols or numbers for letters and codifies common typos to offer facilitated communications. The message texts combined with jargon and a plentiful of emotion logos, rather than the formal written word, can enhance the virtual contact to entice younger groups to initially participate, and further stimulate their intention to use the service.

Moreover, some functions of MSN services with enjoyment and attractiveness such as checking who on contact lists are online, chatting with up to 14 users at the same time through a conversation window, exchanging documents or images while the meeting is progressing, and offering alerts for a new email arrival, would become more convenient and communicative than the traditional way of communication. This implies that the psychological factor that directly arises from a creative and animated virtual communication is the most important priority in a computer-mediated environment, and the next are technological factors. In other words, the influence of attractiveness on PU, PE, and attitude in the research model is significant through some informal wording associated with amounts of symbols and the concept of virtual communities for group chatting. These available tools easily entice user intrinsic motivation developed by hedonic benefit of enjoyment in a CMC infrastructure. Similar to the result of the aforementioned construct, this framework also validates the viewpoint that a more positive user attitude can be achieved by enhancing a virtual communication compatible with users’ values, needs, and lifestyle. Beginning to understating the characters of target groups who spend a lot of time surfing websites, searching for their desired information, and communicating with their friends on the Internet, more versatile functions embedded into new medium will meet their lifestyles who are engaged in such activities over the Internet. From the respondents’ profile, the hours spent on MSN services, from 1 to 3 (34.99%) and from 3 to 6 (21.09%), are more remarkable increments than for the younger group than any other age range, because MSN services provide more convenient access the Internet from the user’s home or school. Furthermore, younger groups (aged from 27 to 33) with higher computer skills will be able to substantially enhance their individual productivity, reach their needs, and be compatible with their lifestyles. More importantly, the free-of-charge MSN services facilitate the tremendous number of MSN users, and make the process of using the services more
appealing. This strategy helps win the eyeballs of a younger generation of novelty-oriented entertainment adopters who are spending more time with MSN services than with any other paid systems. Finally, based on the inclusion innovative characteristics of the TAM, this study proposes a general model to explain and predict user acceptance of MSN services in the CMC environment, suggested from the empirical test that virtual communication, which being gradually be substituted for face-to-face communication, lies on how it is able to create new unconventional tools for communicating.

**FUTURE RESEARCH**

Our results offer several insights into the technology acceptance process. However, external variables of attractiveness and compatibility which are critical to consumer’s attitude and behavioral intention toward using MSN services deserve particular attention for further research. In a computer-mediated environment, Wang et al. (2005) empirically supported the evidence that a website design with hedonic value (fun and playfulness) and utilitarian value (goal directed) have an effect on patronage intention. They argued that flow (a psychological state that people reach during engagement in activities) occurs when a user experiences surfing the website with a well interactive human-machine interfaces. To enhance the role of flow, the designs of websites attract users’ attention, excite their curiosity and interest, and give them some control over the browsing process. On the other hand, the role of atmospherics in a computer-mediated environment will increase users’ entertainment and affect their attitude toward using the service. Richard (2007) empirically examined that the role of atmospherics (structure, organization, informativeness, effectiveness and navigational characteristics) for web surfers has both direct and indirect effect on user’s intentions. Therefore, further researchers can explore the effects of these constructs as the antecedents of attitude and behavioral intention in the context of computer-mediated communication.

**Acknowledgment**

The authors are very grateful to the editor and two anonymous reviewers of the Association for Consumer Research for very valuable comments on an earlier version of the draft.

**REFERENCES**


### Appendix: Survey items

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Measured variables</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Usefulness</td>
<td>PU1</td>
<td>Using MSN services can help me communicate effectively.</td>
<td>Davis (1993); Bruner II and Kumar (2005)</td>
</tr>
<tr>
<td></td>
<td>PU2</td>
<td>Using MSN services can enrich my communications.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PU3</td>
<td>Using MSN services can save time.</td>
<td></td>
</tr>
<tr>
<td>Perceived Ease of Use</td>
<td>PEOU1</td>
<td>Using MSN services is simple.</td>
<td>Davis (1993); Adams et al. (1992); Chen et al. (2002)</td>
</tr>
<tr>
<td></td>
<td>PEOU2</td>
<td>Using MSN services is easy.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PEOU3</td>
<td>Using MSN services is clear and understandable.</td>
<td></td>
</tr>
<tr>
<td>Perceived Enjoyment</td>
<td>PE1</td>
<td>Using MSN is very interesting.</td>
<td>Moon and Kim (2001); Bruner II and Kumar (2005); Dabholkar and Bagoozzi (2002)</td>
</tr>
<tr>
<td></td>
<td>PE2</td>
<td>Using MSN is fun.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PE3</td>
<td>Using MSN is entertaining.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ITA1</td>
<td>MSN provided versatile content with a relatively user-friendly interface for users.</td>
<td></td>
</tr>
<tr>
<td>Interactivity</td>
<td>ITA2</td>
<td>MSN provided versatile content with relatively flexible interactivity for users.</td>
<td>Burgoon et al. (2000); Coyle and Thorson (2001); Teo et al. (2003)</td>
</tr>
<tr>
<td></td>
<td>ITA3</td>
<td>MSN provided versatile content with fast response results for users.</td>
<td></td>
</tr>
<tr>
<td>Compatibility</td>
<td>COMP1</td>
<td>Using MSN fits well with my method of communicating.</td>
<td>Chen et al. (2002); O’Cass and Fenech (2003)</td>
</tr>
<tr>
<td></td>
<td>COMP2</td>
<td>Using MSN fits into my lifestyle.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>COMP3</td>
<td>Using MSN is compatible with most aspects of communicating and surfing the web.</td>
<td></td>
</tr>
<tr>
<td>Perceived Attractiveness</td>
<td>ATTR1</td>
<td>MSN with a variety of functions is attractive.</td>
<td>van der Heijen (2003) and Ha et al. (2007)</td>
</tr>
<tr>
<td></td>
<td>ATTR2</td>
<td>MSN with versatile content is attractive.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ATTR3</td>
<td>The visual and acoustic properties of MSN are attractive.</td>
<td></td>
</tr>
<tr>
<td>Attitude</td>
<td>ATT1</td>
<td>Using MSN is helpful to me.</td>
<td>Moon and Kim (2001); Childers et al. (2001)</td>
</tr>
<tr>
<td></td>
<td>ATT2</td>
<td>Using MSN is positive for me.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ATT3</td>
<td>Using MSN is beneficial to me.</td>
<td></td>
</tr>
<tr>
<td>Behavioral Intention</td>
<td>B11</td>
<td>I will continue to use MSN.</td>
<td>Hu et al. (1999); Bruner II and Kumar (2005)</td>
</tr>
<tr>
<td></td>
<td>B12</td>
<td>I strongly recommend that others use MSN.</td>
<td></td>
</tr>
<tr>
<td>Actual Use</td>
<td>USE1</td>
<td>How often do you use the MSN?</td>
<td>van der Heijen (2003); Chen et al. (2002); Moon and Kim (2001)</td>
</tr>
<tr>
<td></td>
<td>USE2</td>
<td>How many hours do you use the MSN per week?</td>
<td></td>
</tr>
</tbody>
</table>

Note: * deleted items.
The Role of Acculturation in the Body Image Perceptions of Immigrants

Anurag Hingorani, University of Technology Sydney, Australia
Lynne Freeman, University of Technology Sydney, Australia

ABSTRACT
The aim of this research is to examine the role of acculturation in the body image perceptions of an immigrant community in Australia, namely, Indian-Australians. Acculturation is the process of change an individual experiences moving cultures, during which values, attitudes and societal standards of the new culture can be adopted. Body image is a multidimensional construct characterized by perceptions of, attitudes toward, and values about the body. This research builds on existing cross-cultural, body image research by applying a qualitatively assessed and multi-dimensionally constructed perspective of acculturation and utilizing avatars (i.e., digital visual representations of the ‘self’) to understand perceptions.

EXTENDED ABSTRACT
Body image has been investigated for centuries, however, theorists and practitioners alike are yet to achieve a complete understanding of this complex and multi-dimensional construct. Particularly over the past 50 years, body image research has proliferated in divergent areas of research (Cash 2004) ranging from the social sciences to medical sciences. One of the major areas has been in the area of cross-cultural studies, and the impact ethnicity has upon the development of body image perceptions (e.g., Abrams and Stormer 2002; McCabe, Ricciardelli, Mellor, and Ball 2005; Ogden and Elder 1998; Pompper and Koenig 2004; Sheffield, Tse, and Sofronoff 2005; Tiggemann and Ruutel 2001). These studies attempted to investigate ethnic variations of the body image construct by comparing and contrasting a Western culture against an ethnic culture. However, many of these studies involved ethnic participants who either reside in a Western country or have had significant exposure to Western values and attitudes. They have failed to take into consideration the possible influence of exposure to, and/or adoption of, Western values and attitudes on their participants’ body image perceptions (e.g., Altube 1998; Goodman 2002; Ogden and Elder 1998; Pompper and Koenig 2004; Sheffield et al. 2005). Soh, Touyz, and Surgenor (2006) believe that the results of these studies are limited as the role or influence of acculturation to the Western society was not considered.

In this research, body image has been defined as a “multidimensional construct characterized by perceptions of, attitudes toward, and values about the body” (Cash 2004, 216). Acculturation is defined as the process of change an individual experiences moving cultures (Berry 1990). Values, attitudes and societal standards are adopted within this process, which in many cases may result in a change of an individual’s ethnic identity (Berry 1990). Soh et al. (2006, 55) suggest that the study of the impact that acculturation has on body image will provide a way forward in “teasing out” the relationship between body image concerns and culture.

Body image studies that have attempted to investigate the impact of acculturation (e.g., Ball and Kenardy 2002; Soh et al. 2006) have largely conceptualised it uni-dimensionally and measured it quantitatively. They have assessed the extent or degree of acculturation using proxy measures such as generational status (first-generation or second-generation). In order to achieve a contextual and multi-dimensional understanding of the acculturation experience, Cabassa (2003) believes that existing quantitative measures should be complemented with a qualitative methodology. This will produce a richer picture of what particular areas of a person’s life, including body image perceptions, change, when living in a new culture.

Building on our previous research (Agudera, Freeman, and Hingorani 2007), this research project aims to extend body image research, which so far has predominantly assessed acculturation uni-dimensionally and quantitatively, by utilizing qualitative methods to examine the acculturation experience as a multi-dimensional construct, and avatars, i.e., digital visual representations of the ‘self’, to understand body image perceptions. Specifically, this research has the following objectives:

1. To understand the impact of socio-cultural influences of media, peers and family, on an individual’s perceptions of body image.
2. To investigate generational differences in body image perceptions.
3. To identify any ethnic variations in body image perceptions across two cultures.
4. To investigate the factors that shape the acculturation experience and the impact they have on an individual’s body image perceptions.

A qualitative focus group study was conducted to allow for a contextual and holistic investigation of the relationship between the two complex constructs of body image and acculturation. Discussions in focus groups were guided by the research objectives and centered on perceptions of ‘ideal self’, ‘actual self’, and a ‘typical Australian’. Leading-edge technology was developed to allow focus group participants to first individually create avatars and then interpret them for the group. Generally speaking, avatar-creation is tantamount to a visual projective technique. The creation of avatars facilitated clearer articulation and discussion about body image issues, which might otherwise be unclear or incomplete, given the reliance on participants’ drawing skills, and ability to communicate visually using traditional paper-and-pencil methods. Prior research has demonstrated the effectiveness of visual projective techniques to understand body image issues in a multi-cultural context (Haward 1955; Hayslip Jr., Cooper, Dougherty, and Cook 1997).

Most research on body image issues has focused on women, as does this research. However, to date, there has been little research on body image in the Indian-Australian community, which is growing rapidly (ABS, Australian Social Trends 2003). Hence, this particular immigrant community was selected. Specifically, the focus group sample consisted of females with Anglo and Indian heritages in an Australian context, and from two generations, namely, Generation Y (aged 20-25 years, approximately) and Baby Boomers (aged 43-55 years, approximately).

Generational status is a common proxy variable for assessing acculturation in quantitative research. It is employed under the premise that later generations experience acculturation at a much faster rate, whilst first-generation immigrants tend to maintain and hold fervently on to their ethnic values and attitudes. First-
generation immigrants are those born overseas, second-generation immigrants are those who were born in the host country but their parents were born overseas and third- or greater generation immigrants are those who were born in the host country along with their parents (Valentine 2001). To gain a deeper understanding of the acculturation process, generational status was employed qualitatively by exploring the manner in which first- and second-generation immigrants have experienced acculturation and investigating the extent to which the adoption of Australian attitudes and values has affected the development of body image perceptions across two generations. Therefore, one of the Indian-Australian focus groups consisted of first-generation immigrants, and the other, second-generation immigrants.

By examining two different generations of Indian-Australians, it is likely that some of the differences in body image perceptions might be due to external influences, which are not acculturation-related. To ensure that acculturation-related differences in the Indian generations are clearly captured, inter-generational differences and similarities between Generation Y and Baby Boomer Anglo-Australian groups were studied as a “control”.

Prior cross-generational body image research on Filipino- and Anglo-Australians (Agudera et al. 2007) that did not involve computer-generated avatars found similarities and differences between the various groups. For example, the older Anglo-Australian group felt that the younger generation have become more materialistic and more concerned with themselves but that they were just as concerned with their body image when they were their age. The older Filipino-Australian group believed that because they lived on the very basics in the Philippines and had less affordability and access to consumer items, they were less materialistic and concerned with appearance, fashion and body image than the younger generation.

Findings similar to the Filipino research are expected in this research on Indian-Australians when the data are completely analyzed. However, what has been determined via observation is that unlike the Filipino research, the use of cutting-edge technology to create avatars enabled participants in this research to more completely communicate their perceptions, and focus on issues surrounding body image.

REFERENCES


Innovation is becoming a crucial factor in company survival because of the evolution of a competitive environment. The importance of innovation for better long term company results is now recognized and has been extensively reported in literature (Drucker, 1973). Companies are continuously heading towards introducing innovative products and features to capture consumer attention, but there is a need to realize that all these innovations have to be first sold to a minority of consumers who are the first to buy a given product. They are the consumer innovators. They are the early adopters and new brand triers and play an important role in the lifecycle of a new product. Consumer Innovators form a key market segment that many marketers are anxious to identify, profile and influence. (Flynn and Goldsmith,1993).

Individuals become innovators because of their inherent trait of innovativeness. Their characteristics have been conceptualized by several consumer researchers. Few researchers have gone further to understand the consumer response to innovations, attempted to measure consumer innovativeness and have established relationship between consumer innovativeness and other constructs including product innovation.

Researchers have developed and proposed number of scales that differ in their theoretical premise, internal structure and purpose. There has been no attempt to synthesize research or findings across all these different scales.

Roehrich (2004) reviews and classifies the scales into two groups: Life innovativeness scales and Adoptive innovativeness scales. Life Innovativeness scales focus on the propensity to innovate at a general behavioural level. The most popular scale is the Kirton’s innovators-adaptors inventory. Adoptive innovativeness scales focus specifically on the adoption of new products One of the well known scales is the Goldsmith and Hofacker(1991) Domain Specific Innovativeness scale or DSI to measure innovativeness or the tendency of consumers to be among the first to try new products in a specific product field after they appear in the marketplace.

Product innovations in the mobile phone market are rapid. Each day either a dominant design or a new feature is added. Even before the maturation of an innovation in the marketplace, something new awaits the consumer. Some innovations are inbuilt innovations while some remain horizontally differentiating features of mobile handsets. Whatever may be the level of innovation, consumer perception of an innovation and true product innovations are never congruent. This raises questions like does the mobile market truly follows the set pattern of conventional innovation adoption process? What is the role of consumer innovators in the mobile market? Are the innovators the ones to buy the mobile phones with innovative features?

As an answer to these questions a study was conducted to establish relationship between product innovation in mobile phones and consumer innovativeness.

Methodology

In this study a consumer innovativeness scale to measure the degree of innovativeness of a consumer was developed. Unlike the Domain Specific Innovativeness scale developed by Goldsmith and Hofacker (1991), this scale is a generic scale but measures innovativeness of an individual as a consumer. It includes the adoption of innovation right from the need for new products to its usage. The scale consists of eight statements, the responses of which measures the consumers need for new products, consumers desire to procure information about new products, willingness to buy new products, trial of new products, buying new products, using new products, finding new ways of using a product which is bought, frequently replacing existing products with new products. The responses to these statements were measured on a likert scale of 1-5 (1 being strongly disagree and 5 being strongly agree). The average of the scores of the eight statements gave the consumer innovativeness measure.

A product innovation scale which measured the degree of innovation in mobile phones with various innovative features was developed. 20 mobile features were listed and was given to a team of 10 experts (included employees in mobile handset manufacturing companies, mobile handset dealers and opinion leaders) and was asked to group the 20 features into 5 groups and rank these groups on a 1 to 5 scale on the basis of innovation. The means of the ranks were taken and the features were arranged on a 1 to 5 scale on innovativeness.

A Sample of 120 respondents was studied by administering a questionnaire. The questionnaire included product innovation in their mobile handsets, innovativeness of respondents and also their demographic profile.

Results of the study

The correlation between innovation in mobile telephones and consumer innovativeness was computed. It is found that there is a significant correlation between these two variables. However, another factor which may influence the use of handsets with innovative features is the disposable income of the respondents. It is also found that income and the use of mobile handsets with innovative features have no significant correlation. Therefore, the study concludes that consumer innovativeness and product innovation are related to each other.
REFERENCES:

Baumgartner, Hans, Jan Benedict, Steencamp, 1996, Exploratory consumer buying behavior; conceptualization and measurement, Journal of research in marketing, 13(2) 121-137


Hauser John, Tellis & Griffin, 2006, Research on Innovation: A review and agenda for marketing science, Marketing Science, Vol 25, No. 6, pp. 687-717

Manning, Kenneth, Bearden and Madden, 1995, Consumer innovativeness and the adoption process, Journal of consumer psychology 4(4), 329-345

Midgeley, David, Dowling 1993, A longitudinal study of product form innovation; The interaction between predispositions and social messages, Journal of consumer research, 19 (march) 611-621

Midgeley, David, Dowling 1978, Innovativeness: The concept and measurement, Journal of consumer research, 4(march) 229-242

Robertson, Thomas, 2001, Consumer innovators- the key to new product success, California Management Review, 23-30

The growth of India organized retail industry has changed the shopping behavior of the India consumers. Shopping today is much more than just buying- it is an experience itself. Consumers have various motivations to visit the shopping malls. In this study, an attempt was made to study the motivations that people go shopping in mall. A mall intercept survey was conducted to study the shopping motivation of India shoppers. This study identified three utilitarian (i.e., convenient shopping, economic shopping and achievement shopping) and six hedonic shopping motivations (i.e. shopping enjoyment, gratification shopping, idea shopping, shopping for aesthetic ambiance, roll shopping, and social shopping).

**ABSTRACT**

The retailing sector in India has undergone significant transformation in the past 10 years. The organized retail industry in India is expected to grow 25-30 per cent annually and would triple in size from Rs. 35,000 crore in 2004-05 to Rs.109,000 crore ($24 billion) by 2010. Retailing is gradually inching its way towards becoming the next boom industry. Organized retailing is changing the whole concept of shopping in terms of consumer buying behavior. Shopping today is much more than just buying- it is an experience itself. The objectives of this study were to investigate the shopping motivations Indian shoppers go for shopping in Mall.

Mall intercept survey was conducted to examine the shopping motivations of Indian Shoppers. The sample included 162 active mall shoppers. The shopping motivations of the consumers were identified by 47 items and captured in nine factors by conducting factor analysis. Confirmatory factor analyses successfully validated the items used to measure these three utilitarian and six hedonic shopping motivations. Utilitarian shopping motivations identified were convenient shopping, economic shopping and achievement shopping while hedonic shopping motivations were shopping enjoyment, gratification shopping, idea shopping, shopping for aesthetic ambiance, roll shopping, and social shopping.

This study will help the managers of shopping malls to understand the shopping motivations consumers go shopping and help them to craft their marketing strategies.

**Key Words:** Retail, Shopping Motivations, Hedonic shopping, Utilitarian Shopping, Factor Analysis, Confirmatory Factor Analysis.

**Consumers’ Motivations to shop in Shopping Malls: A Study of Indian Shoppers**

Over the last few years, retail has become one of the fastest growing sectors in the Indian economy. Traditionally, Indian retail sector has been characterized by the presence of large number of small-unorganized retailers. However, over the last half decade, the Indian consumer market has seen a significant growth of various retail formats such as supermarkets, department stores, discount stores, hyper markets, etc. Though the organized retailing accounts for only two percent of the retailing industry in India, the organized retail industry is expected to grow 25-30 per cent annually and is projected to attain USD 23 billion by 2010 (FCCI, 2005). Retailing is gradually inching its way towards becoming the next boom industry.

Consumers are the major beneficiaries of the retail boom. The Indian consumer is changing rapidly. They now have a choice of wide range of products, quality and prices. Organized retailing is changing the whole concept of shopping in terms of consumer buying behavior. Shopping today is much more than just buying- it is an experience itself. Shopping has become a pleasurable experience itself. Consumers now value convenience and choice on a par with getting value for their hard-earned money. Consumers are now showing preferences for shopping malls, which enable them to shop a variety of products under one roof and offer shopping experience in terms of ambience and entertainment. However, in the Indian context, no research has been carried out to investigate various motivations that people go shopping in malls. Therefore, there is clearly a need for research on this issue in India. In this study, an attempt was made to study the motivations that people go shopping in mall.

This research paper is divided into three major sections. First, we discuss the theoretical background and previous research that has been conducted in this area. Although there has been a dearth of shopping motivation related studies in the Indian context, theoretical exploration can be based on international studies carried out in other countries. Second, we present the research methodology adopted to investigate motivations people go shopping in malls. Finally, we provide a general discussion of the findings, as well as limitations of the study and directions for future research.

**LITERATURE REVIEW**

One of the crucial questions that shopping involves is that why do people shop. One way to give an answer to this question is to examine consumers’ shopping motives. Motivation refers to the drive, urge, wish, or desire that leads to a goal-oriented behavior (Mowen, 1995). When someone feels the need to acquire a product, he goes shopping. But shopping does not occur only to acquire a product. There are many reasons or needs why an individual decide to leave his home for shopping and go to a shopping location. These reasons or needs are called shopping motivations. Consumers do not buy products or services, but they buy benefits, some tangible and some intangible. Some people may be satisfied only if they purchase what they had planned; however, others enjoy emotions such as fun and excitement as well as the actual purchase.

Several researchers have studied shopping motivations, resulting in a broad range of literature. (Arnold and Reynolds, 2003; Babin, Darden & Griffin 1994; Batra & Ahtola 1991; Bloch, Ridgway & Dawson, 1994; Tauber, 1972; Westbrook and Black, 1985). In reviewing the literature, motivations for shopping in malls range from utilitarian motivation to hedonic or experiential motivation. Many shoppers enter malls with the objective of purchasing particular products. They are utilitarian shoppers, looking for functional product benefits (Tauber, 1972). Utilitarian motivation involves satisfying functional or economic needs (Babin, et al, 1974) and often been characterized as task related and rational (Batra & Ahtola, 1991). Utilitarian shoppers may visit shopping malls only for the product(s) they want to purchase, thereby neglecting all the other motivations (Babin, et al. 1994). They pay less attention to other products and the decoration of the mall, as these elements are considered “irrelevant” to their
shopping objectives and motives (Fischer and Arnold, 1990). Utilitarian motivations include convenient shopping; procuring goods, services, or specific information; and reducing the costs (i.e., money, time, and effort) that may have to be expended in transportation, finding specific products or services, and waiting in check-out lines (Kim & Kang, 1997). For this type of shopper, shopping is “work”, where main motivation is to purchase predetermined goods as quickly as possible. In contrast, some consumers enter malls with mainly non-utilitarian motives. For them, shopping can be hedonic—it is “fun”. Hedonic shopping is viewed as a positive experience where consumers may enjoy an emotionally satisfying experience related to the shopping activity regardless of whether or not a purchase was made. Hedonic shopping motivations are in a way similar to the task orientation of utilitarian shopping motivations, only the “task” is concerned with hedonic fulfillment, such as experiencing fun, amusement, and sensory stimulation (Babin et al., 1994). These hedonic satisfactions may be derived from ambience, entertainment, browsing, and social experiences outside the home (e.g., meeting friends, watching people).

One of the first researchers to investigate shopping motivations was Tauber (1972). Using depth interviews, Tauber divided shopping motivations into two categories: personal and social. In the category of personal shopping motivations he identified the need for role playing, diversion, self-gratification, learning about new trends, physical activity, and sensory stimulation. The need for social experiences outside the home, communication with others having the same interest, peer group attraction, status & authority, and pleasure of bargaining were included in the category of social shopping motivations.

Westbrook and Black (1985) suggested seven dimensions of shopping motivations: anticipated utility, role enactment, negotiation, choice optimization, affiliation, power and authority, and stimulation. Similarly, Arnold and Reynolds (2003) investigated hedonic reasons why people go shopping and identified six broad categories of hedonic shopping motivation. These included adventure shopping, social shopping, gratification shopping, idea shopping, role shopping, and value shopping. Adventure shopping refers to shopping for excitement, adventure, and stimulation. It also refers to experiencing a different environment that stimulates the senses. Social shopping emphasizes the social benefits of shopping with friends and family. Gratification shopping refers to shopping as a means to create a positive feeling, that is, to feel better or give a special treat to oneself. Idea shopping refers to shopping to gather information about new trends, fashions, and products. Role shopping refers the enjoyment felt when shopping for others and finding the perfect gift. Value shopping refers to the joy of hunting for bargains, finding discounts, and seeking sales.

Dawson, Bloch and Ridgway (1990) classified shopping motivations in experiential (watching other people, enjoying the crowd, meet new people, etc) and product-related needs (find new or unique products, see new things, etc.).

Sheth (1983) distinguished functional and non-functional motivations. Functional motivations pertain to tangible aspects such as product assortment, product quality, convenience, price etc., while non-functional motivations comprise non-tangible aspects (such as store clientele, store reputation and promotions), social motivations (social interaction etc.) and personal motivations (enjoyable experiences). (cf. Geuens et al. 2001).

In order to infer shopping motivations, various taxonomies of retail shoppers were developed by researchers. Stone (1954) offered the first typology based on consumers’ attitudes towards shopping. The ‘economic consumer’ is concerned with price, product assortment and quality. The ‘personalizing consumer’ seeks social relationships with retail personnel. The ‘ethical consumer’ is concerned with moralistic concerns and is willing to give up lower prices or a larger assortment to help out the little retailer, for example. Finally, the ‘apathetic consumer’ shops out of necessity and is not involved at all with shopping. Shim et al. (1998) came up with four grocery shopping segments: Food safety/health shoppers, convenience shoppers, middle-of-the-road shoppers, and home shoppers. Williams, Painter and Nichols (1978) found four shopping segments: low-price shoppers, convenience shoppers, involved shoppers and apathetic shoppers.

Lesser and Hughes (1986) classified shoppers into seven categories: Inactive shoppers, Active shoppers, Service shoppers, Traditional shoppers, Dedicated fringe shoppers Price shoppers, Transitional shoppers.

Blok et al. (1994) identified distinct patterns of the mall habitat. The six patterns captured were mall enthusiasts (high level of purchasing, enjoyment of the mall aesthetics, e.g., physical design, appearance, and experiential consumption), escape (a relief from boredom, and an escape from routine), exploration (desires for variety or novelty and enjoyment of exploring new products or stores while in the mall), flow (a pleasurable absorption that is associated with losing track of time), knowledge or epistemic (obtaining information about new stores and new products) and social affiliation (enjoyment of communicating and socializing with others).

RESEARCH METHODOLOGY

Sample

This study used mall intercept survey method. Data were collected from shopping malls located in Ahmedabad city of Gujarat, India during last week of February, 2007. The target population for this study consisted of active mall shoppers.

A structured questionnaire was developed to measure the customers’ shopping motivations in the shopping malls. The questionnaire consisted of questions concerning shopping motivations, and demographic information of respondents. Total 47 items were developed to measure the shopping motivations. Some items were adapted from previous studies, and some were developed by the researchers. All of these were five point Likert-type scales in which respondents were asked to indicate their level of agreement (1 = strongly disagree to 5 = strongly agree). Lastly, the questionnaire also consisted questions to solicit demographic information of the respondents such as gender, age, education, household income and marital status.

Questionnaire was hand carried and personally explained to respondents by the interviewers. Interviewers gave instructions for completing the questionnaire and waited while respondent independently filled out questionnaire.

Demographic Profile of the Sample

A total of 162 respondents participated in the survey. Selected demographic characteristics of the sample including gender, age, education, marital status and monthly family income, are presented in Table 1.

The sample consisted of 51.2 percent of male and 48.8 percent female respondents. Respondents were mostly between the ages of 21 and 40 years (69.4%). 61.7 percent of the respondents were single. Almost 86 percent of the respondents had at least bachelor degree. Almost 79 percent of the respondents reported that their family income was more than Rs. 20,000.
TABLE I
Demographic Characteristics of the Sample

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>83</td>
<td>51.2</td>
</tr>
<tr>
<td>Female</td>
<td>79</td>
<td>48.8</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>11-20 Yrs</td>
<td>22</td>
<td>13.6</td>
</tr>
<tr>
<td>21-30 Yrs</td>
<td>69</td>
<td>46.2</td>
</tr>
<tr>
<td>31-40 Yrs</td>
<td>36</td>
<td>22.2</td>
</tr>
<tr>
<td>41-50 Yrs</td>
<td>29</td>
<td>17.9</td>
</tr>
<tr>
<td>Above 50 Yrs</td>
<td>6</td>
<td>3.7</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lower than secondary school</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Secondary School or equivalent</td>
<td>22</td>
<td>13.6</td>
</tr>
<tr>
<td>Bachelor degree</td>
<td>93</td>
<td>57.4</td>
</tr>
<tr>
<td>Master degree</td>
<td>47</td>
<td>29.0</td>
</tr>
<tr>
<td>Doctoral degree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others…</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>100</td>
<td>61.7</td>
</tr>
<tr>
<td>Married</td>
<td>62</td>
<td>38.3</td>
</tr>
<tr>
<td>Monthly Family Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than Rs.10,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rs.10,000 to Rs.20,000</td>
<td>34</td>
<td>21</td>
</tr>
<tr>
<td>Rs.20,000 to Rs.30,000</td>
<td>72</td>
<td>44.4</td>
</tr>
<tr>
<td>Rs.30,000 to Rs.40,000</td>
<td>42</td>
<td>25.9</td>
</tr>
<tr>
<td>More than Rs.40,000</td>
<td>14</td>
<td>8.6</td>
</tr>
</tbody>
</table>

DATA ANALYSIS

Exploratory Factor Analysis
At the initial stage of analysis, exploratory factor analysis was conducted using the Principal Component Approach with a varimix rotation. In this study, the result of Bartlett’s test of sphericity (0.00) and KMO (0.633) indicate that the data are appropriate for factor analysis. In the analysis only the factors having latent roots or eigenvalue greater than 1 were considered significant. Total nine factors were extracted during this stage of exploratory factor analysis. All the nine factors together accounted for 68.734 percent of the total variance. These nine factors were convenient shopping, economic shopping, achievement shopping, idea shopping, shopping enjoyment, roll shopping, gratification shopping, shopping for aesthetic ambiance, and social shopping.

Confirmatory Factor Analysis
In order to validate the measurement properties of the hedonic and utilitarian shopping motivation constructs identified in the exploratory factor analysis, an iteration of confirmatory factor analyses was conducted. A 24 item, and nine-dimension confirmatory factor model was estimated using AMOS 16 (Evaluation Version). The results of the confirmatory factor analysis are reported in table II.


### TABLE II
Confirmatory Factor Analysis of shopping motivation constructs

<table>
<thead>
<tr>
<th>Shopping Motivations</th>
<th>Items</th>
<th>Factor Loading</th>
<th>Coefficient Alpha</th>
<th>Construct Reliability</th>
<th>Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utilitarian Shopping Motivations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenient Shopping</td>
<td>I like to shop at shopping mall because of large variety of products available.</td>
<td>0.902</td>
<td>0.891</td>
<td>0.891</td>
<td>0.732</td>
</tr>
<tr>
<td></td>
<td>I like to shop at shopping mall because whatever I need I find it under one roof.</td>
<td>0.823</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Timing of the shopping malls is very convenient to me</td>
<td>0.841</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Shopping</td>
<td>I go shopping in the mall to take advantage of sales promotion schemes.</td>
<td>0.804</td>
<td>0.821</td>
<td>0.825</td>
<td>0.613</td>
</tr>
<tr>
<td></td>
<td>I go to shopping in shopping malls when there are sales.</td>
<td>0.839</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I enjoy looking for discounts when I shop in shopping malls.</td>
<td>0.698</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achievement Shopping</td>
<td>I always plan my shopping trips.</td>
<td>0.640</td>
<td>0.805</td>
<td>0.814</td>
<td>0.528</td>
</tr>
<tr>
<td></td>
<td>It is important to accomplish what I had planned on particular shopping trips.</td>
<td>0.643</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I always have a list of products to buy when I go for shopping.</td>
<td>0.702</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I already know which products I want to buy when I go for shopping.</td>
<td>0.829</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hedonic Shopping Motivations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping Enjoyment</td>
<td>Visiting shopping mall makes me feel better even if I do not buy anything.</td>
<td>0.771</td>
<td>0.798</td>
<td>0.801</td>
<td>0.575</td>
</tr>
<tr>
<td></td>
<td>I enjoy spending time at shopping mall.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shopping in mall is one of the enjoyable activities of my life.</td>
<td>0.839</td>
<td>0.653</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gratification Shopping</td>
<td>When I’m in a down mood, I go shopping to make me feel better.</td>
<td>0.939</td>
<td>0.902</td>
<td>0.904</td>
<td>0.826</td>
</tr>
<tr>
<td></td>
<td>To me, shopping is a way to relieve stress.</td>
<td></td>
<td></td>
<td></td>
<td>0.877</td>
</tr>
<tr>
<td>Idea Shopping</td>
<td>I like to go to shopping mall because I like to see what the latest fashion is.</td>
<td>0.947</td>
<td>0.891</td>
<td>0.899</td>
<td>0.750</td>
</tr>
<tr>
<td></td>
<td>I go to shopping mall to see what new products/designs/brands are available.</td>
<td>0.724</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I go to shopping malls to keep up with trends.</td>
<td>0.908</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopping for Aesthetic Ambiance</td>
<td>I always enjoy the architecture of shopping malls.</td>
<td>0.715</td>
<td>0.808</td>
<td>0.826</td>
<td>0.708</td>
</tr>
<tr>
<td></td>
<td>Visual display of the mall is very attractive to me.</td>
<td>0.951</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roll Shopping</td>
<td>I like to go shopping when it is for other people.</td>
<td>0.853</td>
<td>0.755</td>
<td>0.762</td>
<td>0.617</td>
</tr>
<tr>
<td></td>
<td>I like shopping for others because when they feel good I feel good.</td>
<td>0.712</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Shopping</td>
<td>I prefer to shop with friends and family.</td>
<td>0.939</td>
<td>0.885</td>
<td>0.890</td>
<td>0.802</td>
</tr>
<tr>
<td></td>
<td>Shopping with friends and family members is a social occasion.</td>
<td>0.850</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Reliability and validity of the constructs

Analysis began with measuring the reliability of the constructs. First, internal reliability of the scale was examined using Cronbach’s alpha coefficients. Taking 0.7 and above as an indicator of reliability, it can be concluded that all the shopping motivation constructs are reliable.

Convergent validity can be assessed from the measurement model by determining whether each indicator’s estimated maximum likelihood loading on the underlying construct is significant. As illustrated in Table II all confirmatory factor loadings exceed 0.60. Therefore, we have evidence of convergent validity of our measures.

Composite reliability coefficients for each construct are also given in Table II. Composite reliability should be greater than 0.7 to indicate reliable factors (Hair et al. 1995). In this study, all the composite reliability coefficients are greater than 0.7 indicating reliability of the factors.

Last, variance extracted was calculated. Variance extracted estimates show how variances are measured compared to random measurement error. All variances extracted were above 0.50, which means more than half of the variances for the specified items were accounted for by the construct.

The composite reliability, variance extracted, and Cronbach alpha coefficient values for all shopping motivation factors, greatly exceeded the minimum acceptable values. This indicated that measures were free from error and therefore yielded very consistent results (Zikmund, 2003).

After conducting the validity and reliability tests for all of the shopping motivation factors, it is also necessary to demonstrate the overall fit of the measurement model. Several fit indexes like the ratio of chi-square to degrees of freedom, the goodness-of-fit index (GFI), adjusted GFI (AGFI), the normed fit index (NFI), Tucker–Lewis Index (TLI), Incremental Fit Index (IFI), and the Relative Fit Index (RFI), comparative fit index (CFI), and root mean square error of approximation (RMSEA) were used to quantify the model fit. As shown in Table III, the results of the confirmatory factor analysis demonstrated a moderate fit of the measurement model on the basis of a number of fit statistics.

| TABLE III |
| Fit Indexes |
| Ratio of chi-square to degrees of freedom | 1.865 |
| Goodness-of-fit index (GFI) | 0.832 |
| Adjusted GFI (AGFI) | 0.771 |
| Normed fit index (NFI) | 0.808 |
| Tucker–Lewis Index (TLI) | 0.871 |
| Incremental Fit Index (IFI) | 0.901 |
| Relative Fit Index (RFI) | 0.759 |
| Comparative Fit Index (CFI) | 0.898 |
| Root Mean Square Error of Approximation (RMSEA) | 0.073 |

CONCLUSION

As discussed above, nine motivation factors (three utilitarian and six hedonic) have been extracted with the help of exploratory factor analysis. Confirmatory factor analyses successfully validated the items used to measure these three utilitarian and six hedonic shopping motivations. Utilitarian shopping motivations identified were convenient shopping, economic shopping and achievement shopping while hedonic shopping motivations were shopping enjoyment, gratification shopping, idea shopping, shopping for aesthetic ambiance, roll shopping, and social shopping.

LIMITATIONS AND FURTHER RESEARCH

Like every research, this research also contains limitations. These limitations should be taken into account when the results of this research are interpreted. The study has been conducted in Ahmedabad city of Gujarat, India. The results of the same, if conducted in other part of the county may vary. The sample consisted of 162 active mall shoppers. The small sample size is also error-prone. Shopping motivation in this study captures the general predisposition of respondents towards the act of shopping. It is likely that individuals display different shopping motivations on varying occasions. While this study identified several shopping motivations Indian consumers go for shopping, it may have missed others. These motivations will need to be measured empirically in future research.

Further research may address the following important questions:

1. Do the demographic factors affect the shopping motivations of the consumers to shop in shopping malls?
2. Do the various formats of the shopping malls affect the shopping motivations of the consumers to shop in particular malls?
3. How do cultural factors influence the motivations people go in shopping malls?
4. Do the people from different geographical areas of Indian differ in their shopping motivations to shop in shopping malls?
5. Do the people from urban area and rural area differ in their motivation to shop in shopping malls?

Nine motivations factors consumers go for shopping were identified in this study. The study revealed that consumers go for shopping not only to purchase the products or services but also for fun. As organized retailing develops in India, it is important to managers of shopping malls to know about the motivations consumers go for shopping in malls. This study may help them to know their consumers and help them to craft the marketing strategy as per the demand of the consumers. Research on Indian mall shoppers’ behaviour and their implications for retail management is still at its early stage. We hope that the present study will serve as a start helping to draw more attentions to this important aspect of retail management.

REFERENCE

The Effects of Informational and Transformational Motivations on Responses toward Celebrity Endorsements
Kenneth Lord, The University of Scranton, USA
Sanjay Putrevu, University at Albany, SUNY, USA

EXTENDED ABSTRACT

Celebrity-endorsement contracts have grown substantially in quantity and cost in recent years. Armbruster (2006) described an array of benefits that may account for the popularity of this strategy: instant recognition, immediate “cut-through” (in a cluttered ad environment), implied preference (assumption that the celebrity likes the product), “cool” factor, and competitive advantage (through instant credibility). Ohanian (1990) presented evidence that source credibility consists of three major dimensions: attractiveness, trustworthiness, and expertise. This research examines which of the three dimensions dominate celebrity-endorser credibility perceptions under informational and transformational motivational conditions and how those dimensions affect consumer judgment and choice.

The Elaboration-likelihood Model (ELM) postulates two routes to persuasion or attitude change (Petty and Cacioppo 1986). It suggests that individuals who are high in processing motivation, opportunity, and ability will, upon exposure to a persuasive message, engage in purposeful processing of the message arguments (central route to persuasion). On the other hand, at lower levels of motivation, opportunity, and/or ability, any persuasive effect that emerges is presumably associated with the individual’s liking or disliking of the various executional elements of the message (peripheral route to persuasion). In addition, the spokesperson might be construed as either a central or peripheral cue, depending on the type of relationship between the endorser and the product. Thus, an involved consumer may look to an endorser’s trustworthiness or expertise as an “argument” in favor of message acceptance via the central route, whereas acceptance for a less involved recipient may derive from the endorser’s attractiveness or familiarity via the peripheral route.

The R-P Grid (Rossiter and Percy 1987) incorporates several aspects of the involvement theory and ELM constructs along two dimensions: involvement (high versus low) and type of motivation (informational versus transformational). Informationally motivated consumers are likely to be sensitive to the personal relevance and potential functional risk associated with purchase decisions. Here, the most effective endorsers will be those in whom the buyer can place his or her confidence or whose credibility offers the greatest potential for minimizing risk. In the first instance (confidence), the advantage would appear to fall to the “trustworthy” endorser. In the second (risk reduction), an “expert” presumably offers greatest credibility advantage because of his or her superior knowledge. Transformational motivations stem from a consumer’s desire to enhance his or her sensory, mental, or social state. The attractive, engaging properties the consumer may like to attain are potentially more likely to reside in the “attractiveness” than in the trustworthiness or expertise dimensions of endorser credibility.

Study 1 examined the influence of the attractiveness, expertise, and trustworthiness dimensions of endorser credibility by observing their effects on the attitudes and purchase intentions of subjects toward informational and transformational products.

H1: For products appealing to informational motivations, brand attitude and purchase intention are influenced by the expertise and trustworthiness of the endorser.

H2: For products appealing to transformational motivations, brand attitude and purchase intention are influenced by the attractiveness of the endorser.

Print advertisements were created to measure consumer reaction to messages for products typified by informational (microwave ovens and aspirin) and transformational (designer jeans and chocolate bars) motivations. In a between-subjects design, subjects (120 students from a major Australian university – 63 females and 57 males) received one of the test ads (the Michael Jordan endorsement for the product in the relevant condition) and three filler ads (for the other three products). The three dimensions of credibility were measured using 15 six-point semantic differential items and attitude and purchase intent were measured using multiple items. To test hypotheses 1 and 2, attitude and purchase-intention scores were regressed as a function of the mean attractiveness, expertise, and trustworthiness scores. In the informational-motivation category (microwave oven, aspirin), trustworthiness was the only dimension of credibility that emerged as a significant predictor of attitude and intention. This provides partial support for H1, which predicted significant effects of trustworthiness and expertise, but not for attractiveness. In the transformational-motivation condition (designer jeans, chocolate bars), as predicted by H2, attractiveness was a positive and significant predictor.

The intent of Study 2 was to provide direct evidence of a link between the three credibility dimensions and the two motivation types in an externally valid context.

H3: Informational processing is influenced by the expertise and trustworthiness dimensions of endorser credibility.

H4: Transformational processing is influenced by the attractiveness dimension of endorser credibility.

To enhance external validity, actual ads from several publications depicting celebrity endorsers were selected as the stimuli for the second study. A judgment sample of 241 non-student consumers in the United States was exposed to these ads. Upon agreeing to participate in the study, respondents were shown a magazine article and two ads (a test ad and a filler) and invited to read them as they would in their typical magazine reading. Upon completing that task, they were provided with the instrument, containing the same measures of the three dimensions of endorser credibility used in Study 1 and the Puto and Wells (1984) Informational and Transformational Ad Content scale. To test hypotheses 3 and 4, the informational- and transformational-processing scores were regressed as a function of the mean attractiveness, expertise, and trustworthiness scores. As in Study 1, results were partially consistent with the informational-motivation hypothesis (H3) whereby expertise was found to be the only significant predictor of informational processing (β = .51, t = 3.58, p < .005). H4 obtained support in the results, with attractiveness emerging as the only significant positive predictor of motivational processing (β = .28, t = 2.12, p < .05).

This research set out to explore how celebrity endorsements are processed by consumers and how such processing influences...
brand attitude and purchase intention. There were two dimensions of credibility to which consumers were expected to respond cognitively in response to informational motivations – expertise and trustworthiness; each emerged as a significant predictor of relevant dependent variables. Similarly, attractiveness, which was expected to dominate when consumers were experiencing transformational motivation on the basis of its affective relevance, emerged consistently as significant in the predicted conditions across Studies 1 and 2. It appears that informationally motivated consumers draw upon their perceptions of an endorser’s trustworthiness or expertise to enhance their confidence or minimize risk, whereas transformationally motivated consumers are affected primarily by the attractiveness dimension of credibility. Hence, informational motivation leads to the cognitive processing of endorser expertise and trustworthiness, while transformational motivation leads to the affective processing of endorser attractiveness; these in turn shape attitudinal and behavioral outcomes.

REFERENCES
Mills, Judson and John Harvey (1972), “Opinion Change as a Function of When Information About the Communicator is Received and Whether He is Attractive or Expert,” Journal of Personality and Social Psychology, 21 (1), 52-55.


EXTENDED ABSTRACT

Research on incidental emotion has established the pervasive tendency of emotions to carryover from one situation to another, coloring behavior in unrelated tasks (for reviews, see Forgas 1995; Loewenstein and Lerner 2003). Irrelevant, prior emotions have been found to reliably influence numerous aspects of judgment and decision making such as risk seeking (Johnson and Tversky 1983; Lerner and Keltner 2001), information processing (Tiedens and Linton 2001), choice (Garg, Inman, and Mittal 2005), and even financial transactions (Lerner, Small, and Loewenstein 2004).

One of the most extensively studied emotions has been sadness, and understandably, as it is one of the most commonly occurring ones. As compared to other emotions, both negative and positive, sadness has been found to have unique influences on judgments and decisions (Garg, Wansink, and Inman 2007; Lerner et al. 2004). Sadness has been linked to an “appraisal theme” of loss and helplessness (Keltner, Locke, and Audrain 1993; Lazarus 1991). Furthermore, sadness’ unique appraisals have been found to evoke an implicit goal of changing one’s circumstances (Lerner et al. 2004) and the goal of reward acquisition or substitution (Raghunathan and Pham 1999). Behavioral patterns consistent with this action tendency have been demonstrated across different domains. For example, sad individuals pay more to obtain a new object (e.g., water bottle) than do those in a neutral state (Lerner et al., 2004). Also given a choice between money and a new object, sad individuals choose a new object over money to a greater extent than do neutral individuals (choice price), a phenomenon that has been called the “misery is not miserly” effect (Cryder et al., 2008). In another domain, sadness led to increased consumption of hedonic food products such as buttered popcorn, and this was significantly greater than the average amount consumed by happy individuals (Garg et al., 2007).

In the present research, we replicate and extend the existing research stream by focusing on sadness and its associated behavior tendencies. In addition to further exploring the influence of a specific emotion on financial decisions, the present paper explores boundary conditions for the influence of sadness on choice prices. Notably, among recent studies that document the effects of sadness on judgment and decision making, none has examined whether receiving a good in one domain can affect decision makers such that they do not pay as much to receive a good in another domain. Thus, we address the question of whether the misery-is-not-miserly effect can be attenuated via prior consumption in other domains. A series of three studies examines this research question. We begin with a pilot study that seeks to replicate the misery-is-not-miserly effect demonstrated by Lerner et al. (2004) in a slightly different context. A main objective of the pilot study was to find out whether prior consumption of a potentially mood-altering food product (buttered popcorn) would blunt the misery-is-not-miserly effect. The pilot study takes the form of a one-factor, two-level (emotion: sad, neutral) between-subjects design. Results revealed that even with the food, the effect remained robust.

In light of the results of the pilot, the objective of Study 1 was to find out whether consumption of food coupled with a positive mood inducing writing task, could attenuate the misery-is-not-miserly effect. A one-factor, three-level (emotion pairing inductions: sad-movie/sad-writing, sad-movie/happy-writing, neutral-movie/neutral-writing) between-subjects design was employed. Results found that even with the additional mood-altering writing task in Study 1, choice price across the two sadness conditions remained similar. Moreover, this is in spite of significantly higher levels of experienced happiness in the sad-movie/happy-writing condition relative to the sad-movie/sad-writing one. Study 1 is therefore, important in the series because it suggests that perhaps it is not the degree of compensation (manipulated by providing different opportunities for potentially mood-altering consumption tasks) that determines sadness’ impact on choice prices. Also, Study 1 provides valuable information on the robustness of the effect, showing that the effect holds for a different product category and a different manipulation.

Thus, we address the question of whether the misery-is-not-miserly effect can be attenuated via prior consumption in other domains. A series of three studies examines this research question. We begin with a pilot study that seeks to replicate the misery-is-not-miserly effect demonstrated by Lerner et al. (2004) in a slightly different context. A main objective of the pilot study was to find out whether prior consumption of a potentially mood-altering food product (buttered popcorn) would blunt the misery-is-not-miserly effect. The pilot study takes the form of a one-factor, two-level (emotion: sad, neutral) between-subjects design. Results revealed that even with the food, the effect remained robust.

In light of the results of the pilot, the objective of Study 1 was to find out whether consumption of food coupled with a positive mood inducing writing task, could attenuate the misery-is-not-miserly effect. A one-factor, three-level (emotion pairing inductions: sad-movie/sad-writing, sad-movie/happy-writing, neutral-movie/neutral-writing) between-subjects design was employed. Results found that even with the additional mood-altering writing task in Study 1, choice price across the two sadness conditions remained similar. Moreover, this is in spite of significantly higher levels of experienced happiness in the sad-movie/happy-writing condition relative to the sad-movie/sad-writing one. Study 1 is therefore, important in the series because it suggests that perhaps it is not the degree of compensation (manipulated by providing different opportunities for potentially mood-altering consumption tasks) that determines sadness’ impact on choice prices. Also, Study 1 provides valuable information on the robustness of the effect, showing that the effect holds for a different product category and a different manipulation.

Thus, Study 2 establishes both a mediator and a moderator for the misery-is-not-miserly effect, Study 2 tests whether adding the choice of which gift to receive will lower the carryover effects of sadness on prices. We expect that having a choice of gift will be more powerful than simple endowment because this opportunity for self-expression should presumably weaken the self-focus of sad participants and therefore more persuasively alleviate sadness’ effect on prices. To test this hypothesis, Study 2 employs a design in which some participants are afforded a choice between a hedonic and a relatively non-hedonic gift, whereas others are simply endowed with the hedonic gift either before or after the emotion induction. A 2 (emotion: sad, neutral) x 3 (gift before emotion induction, gift after emotion induction, choice between two gifts after emotion induction) between-subjects design was implemented to test the hypotheses of the study. Results find that only when individuals are afforded an opportunity to make a choice, does it succeed in overriding the effect of sadness on choice price. The study also finds that the degree of self-reported sadness mediates this result. Thus, Study 2 establishes both a mediator and a moderator for sadness’ effect. Overall, the studies provide critical insight into the underlying mechanism behind the misery-is-not-miserly effect and its boundary condition. The results also establish the resiliency of emotion effects on decisions.

REFERENCES


Consumer Comfort and Its Role in Relationship Marketing Outcomes: An Empirical Investigation
Sanjaya S. Gaur, AUT School of Business, Auckland University of Technology
Shilpa Madan, Hindustan Unilever Limited
Yingzi Xu, AUT School of Business, Auckland University of Technology (AUT)

ABSTRACT
Our study contends that relationship comfort has a positive impact on various relationship marketing outcomes namely, satisfaction, trust, commitment, loyalty and active voice. We investigate if consumer relationship proneness moderates the impact of relationship comfort on various relationship marketing outcomes by using SEM and multi-group analysis on primary data collected from 300 respondents in India. Our findings demonstrate that relationship comfort has a positive impact on relationship marketing outcomes, and confirm that consumer relationship proneness moderates the link between relationship comfort and relationship marketing outcomes.

EXTENDED ABSTRACT
The advantage of relationship marketing strategies over discrete transactional activity is now widely recognized. Since developing and maintaining satisfactory service relationships can help reduce risk, transaction costs, increase loyalty and retention; financial services providers make huge investments in undertaking relationship marketing programs. Since huge financial outlay is involved, it necessitates the investigation of factors that impact the development and maintenance of successful relationships with the customers. Researchers suggest that comfort plays an important role in developing and maintaining lasting relationships, and that the strength of relationship outcomes is affected by consumer relationship proneness.

Given the importance of comfort in developing and maintaining lasting relationships, we studied the impact of relationship comfort on various relationship marketing outcomes so as to enhance the efficacy of the relationship marketing programs using comfort development tactics. Since the success of relationship marketing efforts depends as much on the relationship proneness of the buyer as the relationship orientation of the seller, we also look at the impact of relationship proneness on the part of the consumer to engage in relationship with the service provider on the various relationship marketing outcomes viz. satisfaction, trust, commitment, loyalty and active voice. The moderating role of consumer relationship proneness on the link between relationship comfort and the various relationship marketing outcomes was also looked at.

METHOD
A survey was carried out to test the proposed model and research hypotheses. Data was collected from 300 undergraduate, postgraduate and doctoral students of IIT Bombay, dealing with banks. All the respondents were customers of at least one bank as part of institute’s requirements. The research instrument contained items related to all the variables and demographic characteristics including age, gender and education The measures for relationship comfort were drawn from Spake et al. (2003), satisfaction from Oliver and Swan (1989), trust from Doney and Cannon (1997), commitment from Morgan and Hunt (1994) and consumer relationship proneness from Odekerken-Schroder et al. (2003). The loyalty scale conceptualized as repurchase intention and positive word of mouth, was constructed from items used by Taylor and Baker (1994) and Harrison-Walker (2001). A pretest of the questionnaire so developed was undertaken to refine the instrument and remove any inconsistencies or comprehension problems. The measures used in the study were subjected to reliability and validity assessment for purification of research instrument. Structural equation modeling and multi-group analysis were used to test the hypotheses.

MAJOR RESEARCH FINDINGS
This study empirically tested a model of relationship comfort, consumer relationship proneness and the various relationship-marketing outcomes in a financial services context. Its contribution to marketing literature is twofold; first, it demonstrates that relationship comfort has a positive impact on relationship marketing outcomes. Second, it indicates that consumer relationship proneness moderates the link between relationship comfort and commitment and loyalty in a financial services context.

Results indicate that relationship comfort has a positive impact on the customers’ satisfaction, trust, commitment, loyalty and active voice in the relationship. This is in line with the earlier findings by Spake et al. (2003) where consumer comfort had a significant impact on and provides an incremental understanding of the traditional satisfaction-trust-commitment paradigm with service providers namely physicians and hair stylists. Further, comfort has also been proposed as an antecedent of service quality for maintenance and development of successful relationships with service providers (Dabholkar, Shepherd and Thorpe 2000). Having a high level of comfort with the service provider not only provides confidence and trust benefits to the customer (Hennig-Thurau et al. 2002), but also psychological benefits in the form of reduced anxiety and greater self esteem. Further, the results indicate that the moderating effect of consumer relationship proneness on the link between relationship comfort and the various relationship marketing outcomes was observed only in the case of commitment and loyalty. This means that relationship prone consumers will tend to be more committed and loyal towards their banks when made to feel comfortable, as compared to non-relationship prone consumers. The results also support the link between satisfaction, trust, commitment and loyalty in the relationship with the service provider. Satisfaction has been determined as an antecedent of trust, and commitment as a direct consequence of trust (Ganesan 1994; Westbrook and Oliver 1991; Dwyer, Schurr and Oh 1987; Moorman et al. 1992; Morgan and Hunt 1994; Rich 2000; Costabile 2000; Ojasalo 2002; Beatty et al. 1996; Bendapudi and Berry 1997).

The results of the study suggest some interesting directions for future research. After it has been determined that relationship comfort has a positive impact on relationship marketing outcomes in the banking sector, it is necessary to determine what kind of comfort increasing strategies are the most effective in the banking sector and other service provider contexts.

REFERENCES


To Seek Variety or Conformity?: The Role of Culture in Individual’s Choice in a Group Setting
Song-Oh Yoon, Korea University
Kwanho Suk, Korea University
Seon Min Lee, Korea University
Eun Young Park, Korea University

EXTENDED ABSTRACT
Past research has indicated that people tend to seek variety in their choices. This effect has been demonstrated in both intrapersonal and interpersonal choices, although variety-seeking has been shown to result in lower overall satisfaction with their choices (Ratner, Khan, and Kahneman 1999). Many of these findings are explained by people’s desire to portray a positive self-image by appearing unique (Ariely and Levav 2000; Ratner and Khan 2002). However, the findings of some cross-cultural studies have challenged the generalization of such assessments (Kim and Markus 1999; Kim and Drolet 2003; Kramer, Spolter-Weisfeld, and Thakkar 2007). According to these studies, variety-seeking is less pronounced in Eastern versus Western cultures, as they share different assumptions regarding uniqueness and individuality. Specifically, in contrast to the more individualistic Western culture, where uniqueness and being different from others are considered positive traits, negative associations are attached to uniqueness and individuality in the more collectivistic Eastern culture.

While past research has provided insights into cultural influences on variety-seeking behavior and the underlying motivations, its implications with regard to consumer’s interpersonal decision have yet to be clearly understood. This is mainly because past cross-cultural studies in this area have focused on individual choice situations (Kim and Markus 1999; Kim and Sherman 2007). In particular, it is still ambiguous as to whether the negative meanings associated with uniqueness in Eastern culture will result in a mere lack of conscious attempts to conform to others’ choices in interpersonal decision situations. One line of research (e.g., Markus and Kitayama 1991) suggests that individuals from collectivistic cultures are expected to follow others’ choices when the choice is made in a group setting, since being similar to others and conformity to group is an important cultural value in this context. However, another research finding (e.g., Kim and Drolet 2002) suggests that other’s choices would exert minimal effects on the individual’s choice, because choice is not an act of self-expression for collectivistic cultural members. Accordingly, members of collectivist cultures will not necessarily make similar choices with those of others, while the amount of variety-seeking behavior is less, compared to individualistic cultural members.

Therefore, the primary purpose of current research is to test these two competing predictions. In particular, we focus on the impact of others’ choices on conformity-seeking tendency among individuals from collectivist cultures. We also attempt to examine the conditions under which such cultural orientations have particularly profound impacts on individual’s choice. In line with previous research highlighting that culture is not a constant meaning but often dissipates or activated depending on situational demands (Briely and Aaker 2006), we show that culture has greater implications for choice only when individual’s choice is made based on cultural, rather than personal, knowledge. Finally, we investigate the potential differences between Eastern and Western cultural members in the emotional consequences of aligning one’s behavior (e.g., choice) with cultural norms. Unlike the members of Western culture, whose emotional well-being has been shown to be lowered after complying with cultural norms (e.g., variety-seeking), Individuals in Eastern culture are not expected to experience such reductions in emotional well-being, as aligning oneself with cultural norms (e.g., conformity) is more consistent with their definition of personal happiness.

We test our predictions in two studies, involving real restaurant order data and a field study. In the first study, the analysis of 517 meal order slips, representing 1,475 diners from two local restaurants in Korea, showed that real tables dining in a group tended to choose less varied dishes as compared to what would be expected from a random sampling of population of all individual choices across tables (i.e., simulated data representing menu selections in the absence of any group influence). Similar findings are observed in restaurants that differ in terms of cuisine, average dish price, and familiarity to participants. Next, we replicate our findings in a setting that allows more experimental control. In our field experiment, we manipulate the conditions in which individuals choose their options, such that in one condition they select their options under group influence (i.e., sequential choice condition) and in the other condition, group is dissolved and thus the choice becomes a strictly individual one (i.e., individual choice condition). We found that Koreans tended to select options identical to those of their group members when they make selections collectively as opposed to individually. We further show that, unlike previous findings based on individuals from Western cultures, adherence to the cultural norm, that is, conformity to others’ choices, did not result in lower overall satisfaction with their chosen options for Koreans. Lastly, we show support for the hypothesized mechanism underlying the above effects, by demonstrating that the tendency to seek variety or conformity is associated significantly with decision maker’s individualistic-collectivistic dispositions.

REFERENCES


The Role of Gender on Turkish Consumers’ Decision-Making Styles
Bahar Yasin, Istanbul University, Turkey

Abstract

Decision-making styles defined as a mental orientation that characterizes a consumer’s approach to making choices. This research was undertaken to identify consumer decision-making styles in Turkey and to find out the differences in male and female consumers’ decision-making styles.

In order to identify Turkish consumers’ decision-making characteristics, factor analysis was performed. Nine decision-making styles factors were identified for Turkish consumers. Decision-making differences of male and female consumers were analyzed by t-test. The mean differences between the two groups’ styles related to Novelty-Fashion Conscious Consumer, Confused by Overchoice Consumer, Brand Conscious Consumer and Recreational Consumer factors were found to be statistically significant.

EXTENDED ABSTRACT

Conceptualization and Purpose of the Study –Consumer Decision-Making Style defined as a mental orientation that characterizes a consumer’s approach to making choices. Knowledge of consumer decision-making styles is clearly important to marketers because it is closely related to purchase behaviour. This research was undertaken to identify decision-making styles of Turkish consumers and to find out the differences in male and female consumers’ decision-making styles. Understanding the decision-making styles differences of male and female consumers would obviously be of great benefit to marketers in finding better ways of communicating with male and female consumers and in guiding marketing strategy and marketing mix decisions.

Methodology/Approach – The dimensions of decision-making styles of Turkish consumers were investigated using a revised consumer decision-making styles inventory (CSI). A questionnaire was designed to measure consumer decision-making styles in Turkey. In pilot study, the instrument with 78 Likert scale items was applied to 280 consumers in Istanbul during the first two weeks of May 2007. The 78 item CSI inventory was then factor analyzed. Items that had a factor loading less than 0.40 were removed. This resulted in the removal of 24 items. The remaining 54 items were then factor analyzed again. This resulted in an acceptable nine factor solution. As a result of the pilot study, 54 items revisedCSI was utilized in order to examine the decision-making styles of Turkish consumers. Data was collected from an adult consumer sample ranging in age from 18 to 46 plus. In total, 612 questionnaires were received between 2007, May 28 and June, 10. An initial check of data collected revealed that 602 questionnaires could be used for data analysis and 10 questionnaires were discarded because of either missing data or apparent inappropriate response patterns. Factor analysis with varimax rotation of factors was performed to identify the Turkish consumers’ decision-making characteristics. In order to capture the decision-making styles differences of male and female consumers, t-test was performed. t test compared mean scores on consumer decision-making styles factors between males and females.

Findings – The nine-factor solution, with factor loadings all greater than 0.40 and ranging from 0.401 to 0.763, explained 57.057 % of the variance. Factors were named in line with the studies reviewed in literature. All factors had satisfactory levels of reliability. A comparison of the present study with Sproles and Kendall’s (1986) results revealed that the majority of factor loadings and reliability coefficients are higher in the present study, indicating that in Turkey, the items better explain the factors they load onto. And also when compared the results to other replication studies, some factors like Time Consciousness, Time Restricted, Convenience and Time Consciousness and Variety Seeking were not found in this study.

The mean differences between male consumers and female consumers’ decision-making styles were tested by t-test. Results of the t-test showed that the mean differences between the two groups’ styles related to Novelty-Fashion Conscious Consumer, Confused by Overchoice Consumer, Brand Conscious Consumer and Recreational Consumer styles factors were found statistically significant. Female consumers agreement in Novelty-Fashion Conscious Consumer, Confused by Overchoice Consumer, Brand Conscious Consumer and Recreational Consumer styles were higher than male consumers.

Research Limitations – In this study, data was collected from consumers living in Istanbul. It may not be possible to generalize the results found with the consumer sample used in this study to whole population in Turkey. Future research with a more diverse sample representing consumers from all regions of the country is warranted in order to generate more robust support for the applicability of the CSI as well as to reveal more managerial implications in the Turkish consumer market. From a demographic point of view, gender differences in consumer decision-making styles were examined in this study. Future research could examine the role of other demographic variables such as age, income and education etc. on each decision-making style.

INTRODUCTION

Decision-making is more complex and even more important for consumers today than in the past. Consumers are surrounded by advertising, news articles, and direct mailings that provide a huge amount of information. In addition, increases in the number of variety of goods, stores and shopping malls and the availability of multicomponent products and electronic purchasing capabilities have broadened the sphere for consumer choice and have complicated decision making (Hafstrom, Chae, and Chung 1992). Consumers, surrounded with information overload and variety of choices, tackle this complexity by displaying particular decision making styles and by employing certain purchasing strategies. Consumer Decision-Making Style defined as “a mental orientation characterizing a consumer’s approach to making choices” (Sproles and Kendall 1986, 276) and it was evaluated as a basic consumer personality, analogous to the concept of personality in psychology. Knowledge of consumer decision-making styles is clearly important to marketers because it is closely related to purchase behaviour. Characterizing consumers in this way allows marketers to differentiate their offerings (Mitchell and Bates 1998). In this study, consumer decision-making styles in Turkey were examined and the decision-making differences of male and female consumers were also determined.
CONCEPTUAL BACKGROUND

Consumer Decision-Making Styles

The investigation of consumer decision-making has a long tradition in marketing and consumer behaviour research. Recently, considerable scientific effort has been devoted to the exploration of consumers’ decision-making styles (Bauer, Sauer, and Becker 2006). In consumer behaviour literature, three approaches have been suggested to characterize consumer styles: the psychographic/lifestyle approach, the consumer typology approach, and the consumer characteristics approach (Sproles and Kendall 1986). Following consumer characteristics approach Sproles and Kendall (1986), combined these decision-making traits and additional traits to develop a consumer decision-making styles inventory (CSI), a comprehensive instrument that measures eight mental characteristics of consumer decision-making. The CSI was developed and validated from a sample of 482 American high-school students who were asked about their decision-making styles for personal products like clothing, cosmetics and hairdryers (Bakewell and Mitchell 2004). Forty items pertaining to affective and cognitive orientations in decision making are grouped into eight potential styles or traits affecting behaviour: Perfectionism/high quality consciousness, Brand consciousness, Novelty/Fashion consciousness, Recreational/Hedonistic shopping consciousness, Price/Value for Money shopping consciousness, Impulsiveness, Confusion from overchoice (from a proliferation of brands, stores and consumer information for example), Habitual/Brand Loyal orientation toward consumption.

This measurement system (CSI), which is proposed by Sproles and Kendall (1986), provided a foundation for standardized testing of consumer decision making styles and had been tested and validated in international settings. Tai (2005), in his study, attempted to investigate the fundamental motivations and shopping preferences of modern Chinese women based on the CSI. Tai (2005), aimed to generate and create a typology of the shopping style dimensions of working female consumers between the ages of 18 and 44 in Shanghai and Hong Kong. In the study, researcher developed the shopping style characteristics through the extensive search from local newspapers, magazines and earlier lifestyle studies and defined 15 decision-making dimensions. The items used for the questionnaire were either developed directly from CSI or specifically from the 15 hypothesised decision-making dimensions. Principal component factor analysis was performed to identify the underlying shopping style dimensions. The 34 variables with factor loadings all greater than 0.50 were loaded on 10 factors. Ten factors were named as follows; price and value consciousness, fashion enthusiasm, brand consciousness, quality consciousness, personal style conscious, environmental and health consciousness, convenience and time consciousness, brand and store loyalty, shopping influences and reliance on the mass media.

Leo, Bennett, and Hartel (2005) aimed to demonstrate that consumer decision-making styles differ according to consumers’ cultural orientation. In the study, differences on CSI between Anglo-Saxon Australians and Singaporean Chinese were compared and examined. Findings of the study indicated that there were significant country differences for the decision-making styles of brand consciousness, innovativeness and confused by overchoice. Results showed that Australians are more brand conscious; Singaporeans are more innovation focused than Australians and Australians are more confused by overchoice than Singaporeans. Besides, no significant differences were found between consumers from Singapore and Australia for quality consciousness, recreation consciousness and brand loyalty decision-making styles. Researchers did not test the differences in price consciousness and impulse buying between Australians and Singaporeans due to a lack of reliability amongst the items.

Wesley, LeHew, and Woodside (2006), assessed consumers’ decision-making styles related to their shopping mall behaviour. They proposed that shopping contexts (e.g., shopping in regional versus local area malls) theoretically should not affect the structure of consumer decision-making styles. The rationale behind this proposition was explained by researchers as follows: Consumer decision-making styles are thinking styles that are preferred ways of using the abilities that an individual develops over several years, that is, consumer decision-making styles serve to bridge personality and consumers’ use of rules or heuristics stored in memory. Consequently, they expected that type of shopping mall does not affect the structure of consumer decision-making styles. The findings of the study supported the view that CDM styles are independent of the mall shopping context that the loadings of items occur for the same factor for at least three of the four malls. Thus, CDM styles are found to be independent in structure to different shopping contexts.

Gender Differences in Consumer Decision-Making Styles

In consumer behaviour literature and especially in consumer decision-making area, number and scope of studies focusing on gender differences are relatively few and narrow. Although limited in number and scope, some research which examined the impact of gender on buying behaviour has found that there are differences between males and females (Bakewell and Mitchell 2003). Mitchell and Walsh (2004) analyzed the decision-making styles differences of men and women German consumers. Results showed that brand consciousness, perfectionism, confused by overchoice and impulsiveness are common factors for both sexes. They also tested the gender differences for these common factors and found that males are more brand conscious; Women have higher expectations with regard to product quality and are slightly more confused than males. For impulsiveness trait, no significant difference found between the mean scores of males and females. In another study that focussed on gender differences, it was concluded that women hold diachronically opposed values regarding effective shopping compared with men (Falk and Campbell 1997). In essence, these differences manifested in terms of the time spent browsing and researching choices. Women enjoyed the process and were happy to spend considerable time and mental energy, while men sought to buy quickly and avoid it as much as possible. Other studies have confirmed the shopping as leisure dimension for women (Jansen-Verbeke 1987) and that women do shopping for longer hours and are more involved than men (Dholakia 1999).

There are many differences between male and female consumers that lead to the notion that males and females will approach shopping differently (Mitchell and Walsh 2004). For instance, in terms of personality traits, men are reported to be more independent, confident, competitive, externally motivated, more willing to take risks, especially with money (Mitchell and Walsh 2004), and less prone to perceive product risk than females (Darley and Smith 1995). They are less likely than women to complain when dissatisfied with a good or service (Solnick and Hemenway 1992), less likely to spread negative word of mouth (Smith and Cooper- Martin 1997) and less likely to participate in family purchase decisions than females. Men are less appearance and clothing conscious. This could be because, in many societies, it behoves women to fulfill the role of the attractive gender or
because men exhibit a weaker sensitivity to the opinions of their friends, which makes them less concerned with their appearance. Males exhibit fewer interpersonal relationships, are less prone to engage in active information provision to other consumers (Feick and Price 1987) and are less likely to be impulsive (O’Guinn and Faber 1989) as well as compulsive buyers (Kollat and Willet 1967; Mitchell and Walsh 2004). Men use more information and communication technology products than women, show a greater interest in these products and show a greater fondness for the latest technical products. Men are also more likely to engage in variety-seeking purchasing, exhibit weaker brand involvement, be less environmentally concerned and be less likely to buy environmentally-friendly products (Mitchell and Walsh 2004).

Thus, understanding the decision-making styles differences of male and female consumers would obviously be of great benefit to marketers in finding better ways of communicating with male and female consumers and in guiding marketing strategy and marketing mix decisions.

RESEARCH METHODOLOGY

This research was undertaken to identify decision-making styles of Turkish consumers and to find out the differences in male and female consumers’ decision-making styles. The dimensions of decision-making styles of Turkish consumers were investigated using a revised consumer decision-making styles inventory.

Measurement

A questionnaire was designed to measure consumer decision-making styles in Turkey. It was based on the studies of Sproles and Kendall 1986; Hafstrom et al. 1992; Fan and Xiao 1998; Mitchell and Bates 1998; Tai 2005; Bauer et al. 2006; Walsh, Mitchell and Thurau 2001 and Chase 2004. First of all, scale items were translated into Turkish with minor changes in wording to clarify the meaning in the Turkish questionnaire and new items were included for each of the consumer decision-making styles confirmed by above mentioned researchers. In pilot study, the instrument with 78 Likert scale items was applied to 280 master/doctorate students and research assistants from two universities in Istanbul during the first two weeks of May 2007. Respondents were asked to indicate their degree to which they agreed with each statement as a description of themselves as consumers of products such as clothes, furniture, mobile phone and technology products etc. on a five point Likert-type scale (1=strongly disagree; 5=strongly agree). The 78 item CSI was then factor analyzed. Results showed that nine-factor solution was more interpretable. Items that had a factor loading less than 0.40 on its primary factor and items that had substantial cross-loading were removed. This resulted in the removal of 24 items. The remaining 54 items were then factor analyzed again. This resulted in an acceptable nine-factor solution. As a result of the pilot study, a 54 items revised CSI inventory was utilized in order to examine the decision-making styles of Turkish consumers. Data was collected from an adult consumer sample. Because high school and college students usually come from a very narrow age range and their consumer decision-making styles are likely to be less crystallized at this stage than later in life, the present study focused on adult consumers ranging in age from 18 to 46 plus. Also, data were collected around shopping malls and places nearby shopping centres in Istanbul, Turkey. Judgmental sampling method was adopted to generate respondents from different age groups, income levels, education levels, and occupations. To enhance the representativeness of the sample, respondents were drawn from different districts of Istanbul. In total, 612 questionnaires were received between 2007, May 28 and June 10. An initial check of data collected revealed that 602 questionnaires could be used for data analysis and 10 questionnaires were discarded because of either missing data or apparent inappropriate response patterns. Demographic information of the sample is shown in table 1.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Demographic Characteristics of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Characteristic</td>
<td>n</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>291</td>
</tr>
<tr>
<td>Female</td>
<td>311</td>
</tr>
<tr>
<td>Total</td>
<td>602</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>25 and below</td>
<td>146</td>
</tr>
<tr>
<td>26-35</td>
<td>209</td>
</tr>
<tr>
<td>36-45</td>
<td>134</td>
</tr>
<tr>
<td>46 and over</td>
<td>113</td>
</tr>
<tr>
<td>Total</td>
<td>602</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>Primary School</td>
<td>100</td>
</tr>
<tr>
<td>Secondary School</td>
<td>95</td>
</tr>
<tr>
<td>High School</td>
<td>190</td>
</tr>
<tr>
<td>University</td>
<td>171</td>
</tr>
<tr>
<td>MS/Doctorate</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>602</td>
</tr>
</tbody>
</table>


As seen in table 1, the sample for this research consisted of 602 consumers with 48.3% females and 51.7% males. Of the 34.7% of the respondents were between the age of 26-35. Married and single respondents’ rate was almost the same with 49.5% married and 50.5% single. Most of the respondents had university and over grade (28.4% University and 7.6% Master and Doctorate degree) and mostly working in private (26.1%) sector. The sample was represented by high, medium and low income levels (33.7% low, 32.2% medium and 34.1% high).

Analysis

Factor analysis with varimax rotation of factors was performed to identify the Turkish consumers’ decision-making styles. Items loaded heavily on more than one factor, and items having low correlations with other items, were dropped. Totally seven items in the questionnaire were dropped. The remaining 47 variables were loaded on nine factors, with factor loadings all greater than 0.40 and ranging from 0.401 to 0.763. The nine-factor solution explained 57.057% of the variance. The order of factors is based on the amount of variance explained.

In the Turkish sample, almost all items loaded on factors like those found in Sproles and Kendall’s (1986) study. After a closer examination of the loading on the factors, a name was given to each factor in line with Sproles and Kendall (1986), as they reflect similar decision-making styles of Turkish consumers. A new factor which is not found in the CSI, developed by Sproles and Kendall (1986), was named as Environmental and Health Conscious Consumer, in line with the work of Tai (2005). Cronbach’s alpha coefficient was used to assess the internal consistency among the set of items on each factor. All factors had satisfactory levels of reliability. Reliability coefficients for Novelty-Fashion Conscious Consumer, Confused by Overchoice Consumer, Brand Conscious Consumer and Recreational Consumer factors were above 0.80. Reliability coefficients for High Quality Conscious Consumer, Price Conscious Consumer, Environmental and Health Conscious Consumer factors were above 0.70. The alpha coefficients for the remaining Impulsive Consumer and Brand Loyal Consumer factors were 0.69 and 0.68. The results of factor analysis and reliability coefficients for each factor are presented in table 2.

<table>
<thead>
<tr>
<th>Decision-Making Styles Factors</th>
<th>Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor 1: Novelty-Fashion Conscious Consumer (α = 0.840)</strong></td>
<td></td>
</tr>
<tr>
<td>I like to buy new and fashionable goods</td>
<td>0.734</td>
</tr>
<tr>
<td>Fashionable, attractive styling is very important to me</td>
<td>0.716</td>
</tr>
<tr>
<td>I keep my wardrobe up-to-date with the changing fashions</td>
<td>0.706</td>
</tr>
<tr>
<td>I am always avoiding to have old-fashion styling and image</td>
<td>0.704</td>
</tr>
<tr>
<td>Having out-of-date goods annoys me</td>
<td>0.660</td>
</tr>
<tr>
<td>I am very interested in updating goods with the newest ones</td>
<td>0.589</td>
</tr>
<tr>
<td><strong>Factor 2: Confused by Overchoice Consumer (α = 0.845)</strong></td>
<td></td>
</tr>
<tr>
<td>I often have difficulties in deciding when there are so many alternatives</td>
<td>0.763</td>
</tr>
<tr>
<td>All the information I get on different products confuses me</td>
<td>0.726</td>
</tr>
<tr>
<td>It is hard to choose among so many alternatives for me</td>
<td>0.713</td>
</tr>
<tr>
<td>The more I learn about products, the harder it seems to choose the best</td>
<td>0.700</td>
</tr>
<tr>
<td>Shopping is difficult for me when there are so many choices</td>
<td>0.700</td>
</tr>
<tr>
<td>There are so many brands to choose from that often I feel confused</td>
<td>0.615</td>
</tr>
<tr>
<td><strong>Factor 3: Brand Conscious Consumer (α = 0.821)</strong></td>
<td></td>
</tr>
<tr>
<td>The more known the brand of a product, the more confident I feel when purchasing</td>
<td>0.677</td>
</tr>
<tr>
<td>The higher the price of a product, the better its quality</td>
<td>0.672</td>
</tr>
<tr>
<td>I think getting best quality brands requires paying higher prices</td>
<td>0.631</td>
</tr>
<tr>
<td>I prefer to buy best-known brands, even though they are sometimes more expensive</td>
<td>0.625</td>
</tr>
<tr>
<td>Among the similar products, I tend to choose famous brands</td>
<td>0.603</td>
</tr>
<tr>
<td>The well-known brands are best for me</td>
<td>0.601</td>
</tr>
<tr>
<td><strong>Factor 4: Recreational Consumer (α = 0.849)</strong></td>
<td></td>
</tr>
<tr>
<td>Shopping is one of the most enjoyable activity that I like</td>
<td>0.763</td>
</tr>
<tr>
<td>Going shopping is one of the enjoyable activities of my life</td>
<td>0.733</td>
</tr>
<tr>
<td>Shopping is a pleasant activity to me</td>
<td>0.719</td>
</tr>
<tr>
<td>I feel myself so good when shopping</td>
<td>0.688</td>
</tr>
<tr>
<td>I like shopping for long hours</td>
<td>0.687</td>
</tr>
<tr>
<td>I enjoy shopping just for the fun of it</td>
<td>0.464</td>
</tr>
<tr>
<td><strong>Factor 5: High Quality Conscious Consumer (α = 0.775)</strong></td>
<td></td>
</tr>
<tr>
<td>A product have to be perfect, or the best to satisfy me</td>
<td>0.671</td>
</tr>
<tr>
<td>I always buy the most quality products that are best in all attributes</td>
<td>0.615</td>
</tr>
<tr>
<td>In general I usually try to buy the best overall quality</td>
<td>0.586</td>
</tr>
<tr>
<td>Getting very good quality is very important to me</td>
<td>0.557</td>
</tr>
<tr>
<td>When it comes to purchasing products, I try to get the very best or perfect choice</td>
<td>0.483</td>
</tr>
<tr>
<td>I make a special effort to choose the best quality product available</td>
<td>0.431</td>
</tr>
</tbody>
</table>

TABLE 2

Consumer Decision Making Factors and Reliability Coefficients
### Table 3: Summary of Turkish Consumers’ Decision-Making Styles

<table>
<thead>
<tr>
<th>Novelty-Fashion Conscious Consumer</th>
<th>They like to buy new and fashionable goods. Fashionable styling is important for them and they avoid having old fashion styling and image. They follow changing fashions and interested in updating goods with the newest ones.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confused by Overchoice Consumer</td>
<td>High scorers on this characteristic feel the quantity of different product alternatives alone is confusing, and the amount of information available about these products adds to confusion.</td>
</tr>
<tr>
<td>Brand Conscious Consumer</td>
<td>Consumers with high score on this dimension pay attention to the brand names of products and are interested in purchasing famous and well-known brand-name products. They seem to think high prices signal high quality.</td>
</tr>
<tr>
<td>Recreational Consumer</td>
<td>These consumers enjoy shopping. They find shopping one of the most enjoyable activities of their life. Shopping makes them feel good and they like shopping for long hours. They enjoy shopping for the fun of it.</td>
</tr>
<tr>
<td>High Quality Conscious Consumer</td>
<td>Consumers who score high on this factor perceive the quality of a product to be very important and are willing to make special efforts to choose products with the very best quality.</td>
</tr>
<tr>
<td>Price Conscious Consumer</td>
<td>These consumers follow sales campaigns and price discounts. They tend to choose lower price products and prefer to go shopping at sales times.</td>
</tr>
<tr>
<td>Environmental and Health Conscious Consumer</td>
<td>They are careful about buying the products that do not harm the health and environment. Expensiveness of the environment friendly products doesn’t matter for them. They are ready to pay higher prices for green products.</td>
</tr>
<tr>
<td>Impulsive Consumer</td>
<td>These consumers are impulsive when buying. They are identifying themselves as a typical shopper who often goes beyond the planned shopping budget. They feel that they should plan their shopping more carefully than they do.</td>
</tr>
<tr>
<td>Brand Loyal Consumer</td>
<td>High scorers on this factor mention that they go to the same store each time they shop. When they find a brand they liked, they buy it over and over and they do not prefer to change their brand choices.</td>
</tr>
</tbody>
</table>
Comparison of Findings of CSI Replication Studies

When it is compared to Sproles and Kendall’s (1986) study, it was seen that eight factors found by Sproles and Kendall (1986) were confirmed in Turkish data. A comparison of the present study with Sproles and Kendall’s (1986) results revealed that the majority of factor loadings and reliability coefficients are higher in the present study, indicating that in Turkey, the items better explain the factors they load onto.

A Time Consciousness (Fan and Xiao, 1998), or Time-Energy Conserving trait, as identified by Hafstrom et al. (1992) and subsequently in Mitchell and Bates’ (1998) eight and ten factor models, and also Time Restricted trait identified by Mitchell and Walsh (2004) or Convenience and Time Consciousness trait identified in Tai’s (2005) work were not found in the present study. This could be due to long opening hours of shopping malls (until 10 pm on weekdays and 11 pm at weekend) in Turkey.

Variety Seeking trait as identified by Walsh et al. (2001) and subsequently in Mitchell and Walsh’s (2004) female sample and Bauer et al.’s (2006) study was not found in the present study. This may be due to cultural difference in shoppers’ attitudes among Turkey and other countries or because of financial constraints of Turkish consumers.

Decision-Making Styles Differences of Male and Female Consumers

In order to capture the decision-making differences of males and females, t-test was performed. T test compared mean scores on consumer decision-making factors between males and females. Table 4 shows the differences between the male consumers’ and female consumers’ decision-making styles.

<table>
<thead>
<tr>
<th>Decision-Making Styles</th>
<th>Mean Female</th>
<th>Mean Male</th>
<th>t</th>
<th>df</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novelty-Fashion Conscious Consumer</td>
<td>2.982</td>
<td>2.833</td>
<td>2.407</td>
<td>600</td>
<td>0.016*</td>
</tr>
<tr>
<td>Confused by Overchoice Consumer</td>
<td>3.233</td>
<td>3.012</td>
<td>3.549</td>
<td>600</td>
<td>0.000*</td>
</tr>
<tr>
<td>Brand Conscious Consumer</td>
<td>3.262</td>
<td>3.128</td>
<td>2.216</td>
<td>600</td>
<td>0.027*</td>
</tr>
<tr>
<td>Recreational Consumer</td>
<td>3.377</td>
<td>2.979</td>
<td>6.285</td>
<td>600</td>
<td>0.000*</td>
</tr>
<tr>
<td>High Quality Conscious Consumer</td>
<td>3.390</td>
<td>3.363</td>
<td>0.507</td>
<td>600</td>
<td>0.612</td>
</tr>
<tr>
<td>Price Conscious Consumer</td>
<td>3.416</td>
<td>3.383</td>
<td>0.618</td>
<td>600</td>
<td>0.537</td>
</tr>
<tr>
<td>Environmental and Health Conscious Consumer</td>
<td>3.497</td>
<td>3.424</td>
<td>1.220</td>
<td>600</td>
<td>0.223</td>
</tr>
<tr>
<td>Impulsive Consumer</td>
<td>3.113</td>
<td>3.047</td>
<td>1.110</td>
<td>600</td>
<td>0.268</td>
</tr>
<tr>
<td>Brand Loyal Consumer</td>
<td>3.271</td>
<td>3.205</td>
<td>1.140</td>
<td>600</td>
<td>0.255</td>
</tr>
</tbody>
</table>

The mean differences between the two groups’ styles related to Novelty-Fashion Conscious Consumer, Confused by Overchoice Consumer, Brand Conscious Consumer and Recreational Consumer styles were statistically significant. But mean differences between the two groups’ styles related to High Quality Conscious Consumer, Price Conscious Consumer, Environmental and Health Conscious Consumer, Impulsive Consumer and Brand Loyal Consumer styles were statistically insignificant. Female consumers agreement on Novelty-Fashion Conscious Consumer, Confused by Overchoice Consumer, Brand Conscious Consumer and Recreational Consumer styles were higher than male consumers.

Females’ high score on novelty- fashion consciousness style indicates that they like to keep up-to-date with styles more than males. To attract females, retailers should emphasise the fashion aspects of their merchandise and might offer additional services relating to fashion such as in-store magazines, and sales staff with knowledge of forthcoming trends.

Females’ high score on confused by overchoice trait means that compared to males, females are more likely to experience information overload. Retailers should think about simplified store layouts and payment services and a reduction in the number of product lines, etc. to speed up the shopping process of female consumers.

High score on brand consciousness suggest that female consumers tend to choose well-known brands significantly more often than males and they are more willing to pay higher prices for famous brands. Female consumers seem to evaluate higher prices with better quality more than males. Females are also seen to be more recreational than males. This finding indicate that female consumers enjoy shopping more than male consumers and they are probably responding appropriately to the efforts of retailers that provide more “entertaining” shopping experiences. Thus, retailers should continue to look for ways in which they can induce feelings of fun and leisure for female consumers. For recreational shoppers, shopping has become a way of spending leisure time, therefore shopping centres should allow the recreational female shoppers to spend time as pleasantly as possible, strolling through the different stores, meeting people, eating and drinking.

CONCLUSION

The objectives of this study were fulfilled. Decision-making styles of Turkish consumers were identified, and decision-making differences of male and female consumers were defined. While consumer decision-making styles have been extensively studied in Western Cultures, this research is the first study to apply the revised CSI in Turkey. Results of the study have provided general support for the usefulness of the revised scales in understanding Turkish consumer decision-making styles.

In this study, after deeply examining the previous studies that applied CSI, items of the CSI, originally developed by Sproles and Kendall in 1986, were altered in order to have a more general approach to purchasing goods rather than a specific product type and to adopt the scale to Turkish consumers. And also one more dimension named as “environmental and health conscious consumer” was added to the scale, by refereeing the work of Tai (2005) and future research implication of Fan and Xiao (1998).
They found that, contradicting to Turkish males; German males perfectionism, confused by overchoice and impulsiveness factors. Differences of German consumers for brand consciousness, standing out. Mitchell and Walsh (2004) tested the gender possible, strolling through the different stores, meeting people, of spending leisure time, therefore shopping centres should allow consumers. For recreational shoppers, shopping has become a way they can induce feelings of fun and leisure for recreational female consumers. It was seen that female consumers are tend to be more novelty-fashion conscious, get more confused when there are many alternatives, give more importance to brand in their purchasing decisions and enjoy shopping more than male consumers. For the rest of the decision-making factors there were no differences found between male and female consumers. Females’ high score on novelty-fashion consciousness style indicates that they like to keep up-to-date with styles more than males. Female consumers’ high score on confused by overchoice trait means that compared to males, females are more likely to experience information overload. High score on brand consciousness suggest that female consumers tend to choose well-known brands significantly more often than males and they are more willing to pay higher prices for famous brands. Female consumers seem to equate higher prices with better quality more than males. Female consumers are also seen to be more recreational than males. This finding indicate that female consumers enjoy shopping more than male consumers and they are probably responding appropriately to the efforts of retailers that provide more “entertaining”. Thus, to attract fashion oriented females, retailers should emphasis the fashion aspects of their merchandise and might offer additional services relating to fashion such as in-store magazines, and sales staff with knowledge of forthcoming trends. Retailers should also think about simplified store layouts and payment services and a reduction in the number of product lines, etc. to speed up the shopping process of confused female consumers. Retailers should continue to look for ways in which they can induce feelings of fun and leisure for recreational female consumers. For recreational shoppers, shopping has become a way of spending leisure time, therefore shopping centres should allow the recreational female shoppers to spend time as pleasantly as possible, strolling through the different stores, meeting people, eating and drinking.

When compared these gender differences with Mitchell and Walsh’s (2004) work, some similarities and contradictions were standing out. Mitchell and Walsh (2004) tested the gender differences of German consumers for brand consciousness, perfectionism, confused by overchoice and impulsiveness factors. They found that, contradicting to Turkish males; German males are more brand conscious than females. In that study, German women found to have higher expectations than men with regard to product quality but in present study it was found that Turkish males and females’ high-quality consciousness scores are not different. Mitchell and Walsh (2004) also found that, like Turkish females, German women were more confused than males. For impulsiveness trait, similar to results of the present study, no significant difference found between the mean scores of males and females.

**LIMITATIONS AND IMPLICATIONS**

Considering the fact that Turkey is composed of seven regions, each having many cities with distinct characteristics, it may not be possible to generalize the results found with the consumer sample used in this study to whole population in Turkey. Future research with a more diverse sample representing consumers from all regions of the country is warranted in order to generate more robust support for the applicability of the CSI as well as to reveal more managerial implications in the Turkish consumer market. Gender differences in consumer decision-making styles were examined in this study. Future research could examine the role of other demographic variables such as age, income and education etc. on each decision-making style.

In conclusion, results of the study in regards to dimensions of Turkish consumers’ decision-making and differences in male and female consumers’ approaches to shopping are thought to be useful in predicting consumer behaviour, meeting consumer needs and decreasing uncertainty for managers in strategy development.

**REFERENCES**


SPECIAL SESSION SUMMARY

Reward Programs and Loyalty Behaviour in The Indian Retail Sector

Session Chair: Alok Saklani, Apeejay School of Management, New Delhi, India

STRUCTURE AND DESIGN OF REWARD PROGRAMS

The objective of the session is to delve into the issues impacting customer loyalty in retail sector, especially as it relates to reward programs. The topic is very relevant considering that even though Indian retail industry is in a very nascent stage, it is growing at over 10%. As more and more players are entering the market with loyalty strategies picked up from the more matured and culturally different markets in the west, customer characteristics in India need to be understood. Consumer researchers, especially those interested in retail sector, would find the session very current and relevant given the controversy the reward programs seem to be undergoing in the recent years, in the west.

Rewards schemes to promote consumer repeat purchase have been used by retailers for long in markets world over. In India too, the last decade has witnessed the launch of several (formal) reward programs in retail stores, auto, oil, movie theatres, pharmaceuticals, hotels, etc. However, on the one hand, membership is still low and many customers do not really understand how they (programs) work, on the other, the program design and its quality of management also needs to evolve.

According to a McKinsey & CII report, Indian organized retail has a huge potential; US $180 billion. This holds a great promise for the (reward) programs market. But how do the existing program designs compare with those in the west, where they have matured? How are the customers going to respond to such schemes? Will their behavior be similar to those (customers) in the west or differ owing to their age old (set) buying habits and culture? One may also ask whether the apparent (though controversial) impact of programs has been understood at all? And whether explanations would be different for eastern cultures?

The first session discusses the status and design of reward programs in India comparing it with that in the western (matured) markets. The second session addresses the need to understand other processes and behaviors, which impact responses to reward programs, and proposes a model incorporating regional culture and behaviour. The third session discusses the buying behavior of the Indian customer with respect to the retail sector, focusing on the need for, and sharing conclusions of, research specific to the Indian context.

STRUCTURE AND DESIGN OF REWARD PROGRAMS

IN INDIA

Praphul Mishra, NetCarrots Loyalty Services
Ruchi Malik, Apeejay School of Management
Shilpa Bhaskar, Apeejay School of Management

ABSTRACT

Several retailers in India have introduced rewards Programs, in the recent years. The programs remain purely motivational in nature, as yet, even though they have progressed to engaging designs in the more matured markets in the West. With time, however, the programs in India will also need to evolve to higher value offerings in terms of personalization and customization so as to be able to better connect with customers and move towards mutually beneficial relational behavior.

Reward programs started way back, though in a somewhat unstructured form, in the 1890s, in the form of trading stamps. Trading stamps were small paper coupons given to customers by merchants. These stamps had no value individually, but a customer could exchange them for other merchandise after saving a certain quantity. At first given only to customers who paid for purchases in cash, and not credit, it grew with the spread of chain gasoline stations in the early 1910s and then the new chain supermarkets in the 1920s, such that merchants found it more profitable to award them to all customers. Trading stamps were most popular from the 1930s through the 1960s.

In the United States, the most popular brand of trading stamps was “S&H Green Stamps”, sometimes informally referred to as “Green Stamps”. Other larger brands included “Top Value Stamps”, “Gold Bond Stamps”, “Plaid Stamps”, “Blue Chip Stamps”, and “Gold Strike Stamps”. Gold Bond trading stamps were dispensed in strips at the time of purchase and pasted onto books for saving.

S&H Green Stamps are considered precursor of reward programs. Under this program, customers were given redeemable Green Stamps based on how much they bought. At the start of the 1960s, the S&H Green Stamps company boasted that it printed more of its stamps each year than the number of postage stamps printed by the US government. By the 1960s, trading stamps had spread to other countries.

As a result of serious inflation starting in the 1970s trading stamps became less common as merchants discontinued offering them to cut costs. Their role has been subsumed by reward programs offered by credit card companies and others, such as groceries (“Preferred Customer” cards). Subsequently, of course, American Airlines developed their Advantage Program in 1981 with miles as a currency. Since then, the designs of reward programs have changed drastically all over the world.

India too had its own version of a stamp-based retail FMCG program called “Ramon Bonus Stamps” in the early to mid 70s, pioneered by Mr HK Shah – it was modeled on the S&H Green Stamps of the US.

With the arrival of point-of-sale scanners and other means of collecting and storing consumer purchase histories in computerized data-bases, card-based reward programs have been growing in popularity during the 1990s (Karolefski, 1998). In the Indian retail landscape it became more prominent in early 2000s. Card-based programs normally require shoppers to obtain an individualized plastic card that is scanned during shopper checkout. The scanner records customer identity and all purchases. Consumers usually do not pay a fee to obtain the card but must supply some limited personal information that normally includes name, address, phone number, and the number of household members.

STRUCTURE AND DESIGN

In India, many companies (across industries) have launched reward programs. Department stores such as Pantaloons (‘Green Card’), and Shoppers Stop (‘First Citizen’) all aim to woo the customer with these programs. The competition being intense, even value retailers such as Vishal Megamart and Subhiksha, for instance - have introduced such programs. Business conglomerates such as the Future Group (Future Card), Tata Sons (Empower), and Reliance Retail (Reliance One) have also launched their reward programs wherein the points can be collected and redeemed...
across different outlet brands of the organization. An interesting
development in the Indian reward programs landscape started with
NetCarrots in 2000-01, albeit focused on the nascent net surfing
audience. The model differed from other reward programs in a
way that it was offered and managed by a third party loyalty
management company, modeled along the lines of mypoints.com,
beanz.com, etc. though the fortunes of NetCarrots suffered with
the dotbust of late 1990s. More recently iMint, launched with the
backing of ICICI Bank and three other anchor partners, a more
sustainable program based on ‘Nectar’, a popular and successful
coalition program in UK.

Reward programs in India are still at a very nascent stage
though the program market, as against that in the west, is growing
at a faster rate. Whereas in mature markets, the rewards are more
need-based, customized and experiential, the rewards in India are
more standardized and confined to discounts. Perhaps a reflection
of the pressing customer acquisition needs of the growing
organized retail sector, in most cases, companies have adopted a
motivational approach, though they will gradually need to evolve
to the second level i.e. creating real relationships between
customers and brands, as is the trend in mature markets. In India,
reward programs in banking, airlines, and hospitality sector are
more sophisticated as compared to those in the retail sector. For
example, while in airlines, and hospitality value proposition
include a business center facility, massage parlour and snooze
zones, exclusive check-in and treatment, etc. In retail soft benefits
are virtually missing: small gifts and discounts are the usual
benefits with some add-on such as parking facilities, exclusive
shopping hours, and separate check-out lanes.

According to a research study (Bhatty et al 2001), there are
many drivers for achieving loyalty. The contribution of reward
programs in achieving loyalty in the apparel and grocery retail is
mere 3.6%, while, other drivers such as staff attitude, favorable
return policy, etc. influence loyalty to a much greater extent.
Interestingly, newer reward program designs include many drivers
(relational in nature) that were also found to affect loyalty in the
(above) research, such as, promotion activities, understanding
customers’ needs, meeting expectations, exclusive business hours
benefits, personal service, reduced transaction time, treating
customers as valued individuals, and favorable return policy.

Reward program, especially in the retail sector, is a crucial
first step to providing customer insights, which in turn provide
the aforementioned benefits of understanding customers’ needs
and meeting expectations. In addition, a reward program provides
the ideal platform to effectively and efficiently deliver some of
the aforementioned benefits such as promotion activities, exclusive
business hours benefits, personal service, and treating customers
as valued individuals.

ICEBERG METAPHOR FOR REWARD PROGRAMS’
STRUCTURE IN INDIA

One can use the metaphor of an iceberg (Figure 1) to help
gain an understanding of the structure of reward programs in India.
Only 10% of an iceberg is ‘visible’ (above the surface) whereas
the remaining 90% remains ‘beneath’ the water (below the
surface). Above the surface attributes viz., target audience,
branding, earning & redemption, renewal/replacement etc. are
apparent whereas below the surface attributes viz., objectives,
approaches, design, technology, training etc. form the substructure
of the reward programs, hence remain in the background. Further
research is required on the ability to extend this iceberg model to
a program’s resource allocation as well – that above the surface
should be allotted approximately 10% -15% of resources whereas
below the surface would be allotted 85%-90% of it.

Above the surface

This part of the iceberg model includes those variables that
are visible to the members.

These variables are mentioned below:

Target Audience. Market for reward programs is generally
segmented as light users, medium users, and heavy users. The
design of the reward program is subject to the choice of the target
audience. When selecting their audiences, companies make a
choice of whether they are going to focus on medium and heavy
user segments or they are going to cater to all three segments.

ICEBERG METAPHOR FOR REWARD PROGRAMS’
STRUCTURE IN INDIA

One can use the metaphor of an iceberg (Figure 1) to help
gain an understanding of the structure of reward programs in India.

Only 10% of an iceberg is ‘visible’ (above the surface) whereas
the remaining 90% remains ‘beneath’ the water (below the
surface). Above the surface attributes viz., target audience,
branding, earning & redemption, renewal/replacement etc. are
apparent whereas below the surface attributes viz., objectives,
approaches, design, technology, training etc. form the substructure
of the reward programs, hence remain in the background. Further
research is required on the ability to extend this iceberg model to
a program’s resource allocation as well – that above the surface
should be allotted approximately 10% -15% of resources whereas
below the surface would be allotted 85%-90% of it.

Above the surface

This part of the iceberg model includes those variables that
are visible to the members.

These variables are mentioned below:

Target Audience. Market for reward programs is generally
segmented as light users, medium users, and heavy users. The
design of the reward program is subject to the choice of the target
audience. When selecting their audiences, companies make a
choice of whether they are going to focus on medium and heavy
user segments or they are going to cater to all three segments.
Value Proposition. A good way to understand the various propositions on offer for customers to join a Program is to segment it into three forms: a. Eco (nomic) Benefits; b. Ego Benefits; c. Emo (tional) Benefits. Eco Benefits make up the bulk of the proposition in most cases – it is typically in the form of delayed gratifications, i.e., Reward Points, except in some stores such as Pantaloons, where the gratification is instant in the form of discounts. In addition, discounts and privileges at listed partner restaurants and other non-competing outlets add to the value-basket.

Most of the stores offer Ego Benefits (members-only privileges) in the form of advance intimation of all in-store promotions, exclusive previews of merchandise on sale, exclusive shopping hours. Some of them, in addition to all this provide exclusive benefits such as special cash counters, free home delivery of altered garments, gift vouchers, exclusive exchange policy, valet and free parking, bonus reward points on preferred brands, exclusive invites to events, and complimentary beverages. In India, reward points, depending upon the category of stores, can be earned up to one (point) for each Rs.30 to Rs.150 spent. With one point worth around Re.1 at the time of redemption, the extent of ‘plough-back’ ranges from 0.67% – 2.0%.

Branding. The objective of creating the reward program is to develop an emotional connect between the customer and the program. With a view to support the value proposition of the program and provide it with a distinctive image, most establishments have branded their program. While typical brand names cue the obvious benefits, i.e., XYZ Club, ABC Privileges, PQR Rewards, many brands have employed more sophisticated branding, i.e., Tata Empower, Pantaloons Green Card, Lifestyle Inner Circle, Shopper’s Stop First Citizen.

However in India, (reward) program managers are yet to team up with their brand manager colleagues in treating the reward program brand as any other sub-brand of the retail establishment. Program brands, like any other brands (more so in a fast evolving market scenario), also follow a typical brand life-cycle. Therefore, these reward brands should be evaluated regularly in terms of their ability to reflect not only the evolving proposition of the retail brand they serve but also the evolving value expectations of its members.

Device. In India, most of the sectors use plastic cards as a device for their reward programs. These cards can be classified either on how the membership number is captured in the Point of Sale System at the time of a transaction, or whether it is personalized or not. While some programs still require the sales clerk to read the membership number embossed or printed on the card and manually punch it on his system, bar codes, magnetic strips, and even Smart Chips are increasingly being employed to reduce error and increase efficiencies.

i. Bar Code: It also consists of static information, which is typically a membership number, e.g., Westside (ClubWest), Lifestyle (Inner Circle). These cards are known for their accuracy and swiftness.

ii. Magnetic Strip: This card provides swipe facility. It consists of static information of around 3 fields – Member Name, Membership Number, Phone number, etc., e.g., Shoppers Stop (First Citizen)

iii. Chip (Smart) card: This card is capable of storing information related to point collection and redemption. It requires real time connectivity, e.g., Snowwhite; BPCL PetroCard.

However, certain brands do not use a device for their reward programs. They rather manage the reward program by using a unique identification number, which may be their telephone number, or a unique three-to-five digit code. It is believed that providing a card facilitates in developing and building an emotional association with the brand.

Communication. A key constituent of nurturing any relationship, communications related to reward program, can be classified into three types:

i. Proactive: Where information from the reward program database on member profile, product usage, purchasing habits, and attitudes is used to communicate customized offers to cater to the specific needs of members. It is analogous to making the right-offer, to the right customer, at the right time. Proactive communication consists of advance intimation of in-store promotions and exclusive offers, invites to get-togethers and events, and exclusive preview of merchandise.

ii. Reactive: Where topical information on member profile and reward point accrual and redemption behaviour is used to communicate further promotional programs. It is also aimed at reducing attrition, and increasing member purchases. An example of a reactive communication could be a spot offer for a discount on next purchase when a member point’s balance is reduced to zero – the idea is to prevent attrition. Such communications are also enabled by customer feedback, and satisfaction surveys.

iii. Housekeeping: Where information on reward points accumulated/redeemed, redemption rules, notification about validity and expiry of reward points, and information on processing and delivery of rewards is communicated to members on a routine basis. It also supports collection of profile capturing of the members and if the membership data is collected genuinely and suitably, it leads to enriched data, which can help in improving the quality of market research.

Redemption Process. The core role of this process is to fulfill the key proposition – Economic Benefits, of the program. While the core thought behind this exercise is the more-a-member-redeems-the-more-she-buys, many a program end up making the process complicated which prevents members from benefiting from the program. For many people, points never seem to add up under one program to afford that “free” vacation advertised in all of the enrollment brochures, and loyalty wanes. The idea is to strike a balance between compliance with internal financial processes/risk management and compliance with the promise of the initial proposition of rewards.

The following ‘Terms and Conditions’, when used in moderation can go a long way in making the program a win:win play between retailer and member:

i. Lock-in time: The number of months/weeks from date of initial membership before a members can start redeeming her points

ii. Expiration dates: The date when the membership expires and before which it has to be renewed in order to continue enjoying its benefits.

iii. Average time taken for uploading points on the membership card. E.g. i-mint takes 7 days for points to get credited to i-mint membership account.
iv. **Validity and expiry of points**—The date when reward points earned during a certain period of time are ‘expired’ – when a member can no longer use those points.

v. **Cost incurred by customers** (time, psyche, energy, monetary) while redeeming the points.

**Renewal/ Replacement.** Defining a fixed period of membership allows a program Manager to define the strategic, financial and accounting boundaries of a program. Among other things, objectives have to be met over x number of quarters, investments into a program have to yield returns (ROI) over a defined period, un-redeemed points typically are carried on the books as contingent liability, inactive members need to be pruned to prevent wasted efforts, and so on. To this end, programs require memberships to be renewed every one or two years. While some programs auto-renew active members, others seek a certain minimum level of purchase activity to allow free renewal. However, i-mint card is valid for a period of 10 years from the date of issuance - its membership is valid for life, unless it expires under the terms and conditions of the program.

**Tiers and Up grades.** To deliver differentiated and relevant benefits to members, programs typically have 1 to 5 tiers of membership. This serves to not only offer recognition and badge-value to members, but also to drive desired behavior (typically leading to incremental sales) by creating an aspiration among members to upgrade to the next tier. While members at lower tier(s) receive predominantly Eco and baseline Ego benefits, higher tiers receive additional Eco and Ego benefits. Emo benefits are limited to the top tier(s) only. While some programs allow for easy up-grades, others prefer having some degree of complexity in how they measure desired behavior at each level of up-grade.

**Below the Surface**

This part of the iceberg model includes those variables that are invisible to the members. These variables can further be classified into two categories: i) invisible but felt by members ii) invisible and not felt by members. These variables are mentioned below:

**Objectives.** Benefits offered have different purposes in different programs. It could be aimed at customer acquisition, activation, retention, enhancement (increasing share of wallet and basket size), or woo-back. Some programs (typically in the early life stage of a brand) use a program to procure information from customers in order to build a marketing database and generate insight. Strategies of the reward program come from the objectives, which the company seeks to achieve through these reward programs.

**Approaches.** Presently, there are two broad approaches to reward programs: i. Motivational – typically discounts and redeemable points programs that provide incentives to customers willing to repeat purchases, and ii. Relational - bond-creating programs, which deepen the association between the customer and the brand. This approach is to be found more in mature markets. Following figure (Fig 2) depicts the options available under reward program.
redeemed at leading retail outlets like Shoppers Stop, Lifestyle, Big Bazaar, Mega Mart, Trinethra, and More etc. and bears the logos of the alliance partners, the retailer and the issuing bank. E.g: ICICI Megamart Credit Card, First Citizen CitiBank Credit Card etc.

**PHD Model (member Profile, History of transaction and Desired behaviour).** Under this model the customer’s profile, history of each transaction, and desired behaviour is integrated for the construct of the reward program (Fig 3). A member profile provides a clear picture of - the member (target market), what are his needs and desires (purchase motivation), and what do we know about him (lifestyle preferences). The transaction history provides details on length of association, ticket size, frequency of transaction, customer involvement, and number of categories the member buys. The reward program managers generally define strategic objectives of the program, decide for the channel partners, and develop the brand promise using this integrated information.

**Figure 3**

**PHD Model**

- **Profile of Customer**
  - Who are they
  - What do we know about them
  - What do they want to accomplish

- **Desired Behavior**
  - Strategic objectives
  - Brand promise

- **Relationship Program construct**
  - Length of association
  - Ticket Size
  - Frequency of transactions
  - Customer involvement
  - Numbers of categories

**Training.** Training is an integral part of any process. Similarly, for a program to be effective, all staff at various customer touch-points need to be adequately trained on the program. Three aspects make for a comprehensive training package: i. Concept – where the staff gets to understand the strategic reason behind the program; ii. Skills – where the staff learns to handle the processes of the program relevant to his/her function; iii. 7Attitude: where the staff get to learn the softer skills required to handle members (especially those in higher tiers) of the program.

**Technology.** One of the most confusing elements for un-savvy program managers who get taken in by the high-decibel pitches of cash-rich software/tech companies is technology. Any amount of words will not be enough to do justice to this section but a simple point holds good across all successful programs – the cart should be placed behind the horse and not vice-versa. Technology is an enabler of business objectives and processes of the program and not the driver.

**Tracking.** For a reward program to be effective, it is important to determine what information to gather. In India, most of the reward programs generally track what is the current buying behavior by: time and day, existing customer segment, brand or price consciousness, etc. However, the essence of an effective reward program rests in critically evaluating why do customers buy this brand, and why are customers dissatisfied. We see this as three different levels of activities (Fig 4). Senior management focuses on analytics; middle level management concentrates on outcomes whereas junior level management works on the operations.

**Figure 4**

**Levels of activities in Tracking**

i. **Operations MIS:** Typically tracks the operational health of a program such as on-time and on-budget achievements of various tasks and processes

ii. **Outcomes Measurement:** Tracks the various campaigns that ride on a program, helps assign ROI at campaign, segment, or overall program levels.

iii. **Analytics:** It is a higher order process requiring not just analytical skills but also skills to define and interpret the analysis. It is the most misused word after ‘Strategy’ and ‘Leverage’ these days. If done well (analyze all that you capture, capture only that you can analyze), it provides valuable customer and organizational insights, which can provide severe competitive advantage.

**CONCLUSION**

The Indian loyalty ‘industry’ is still in its infancy as most programs are actually standalone, points-driven, or, discounting schemes. The reward programs here are yet to be innovative in their use of information and technology solutions. Especially in the collection of consumption data on a significant proportion of the Indian population on regular basis, integrating customer interaction across both click and brick channels, engaging with a large number of corporate partners in relation to the earning and delivery of rewards, and developing/using analytical models for competitive advantage. For the reward programs to be more effective in India, one needs to look below the surface at the base of the iceberg. The challenge for the reward programs in India is to move beyond the conventional thinking i.e. from the quick hits that drive immediate sales to creating emotional bonds that translate into customer loyalty.

**REFERENCES**


Shoppers Stop Corporate Website, visited 11 April 2008 http://www.shoppersstop.com/
Subhkshha Corporate Website, visited 8 April 2008, http://www.subhkshha.in/

IMPACT OF REWARD PROGRAMS ON LOYALTY
Alok Saklani, Apeejay School of Management

ABSTRACT
Rewards programs are in great use in many countries in the west and have also been introduced in other developing nations including India, in the recent years. But doubts exist on their very efficacy; whether they actually impact the buying behavior of members even as they involve huge investments. This is primarily due to the mixed effects observed in repeated studies. Recent researches, however, seem to indicate that while the effects do exist, they are selective, and occur only in certain pockets. Impact of such programs, therefore, needs to be studied in light of certain antecedents.

INTRODUCTION
Customer loyalty is seen to be a prime business objective. The realization that serving an old customer is much cheaper than a new one, has driven companies to focus on ‘retention’ than mere acquisition. Loyal customers have further been found to bond stronger with business, drawing company attention to failures in goods/service delivery when experienced, resistant to competitors’ promotional efforts, as also, ready to pay more for premium products. Besides, at times, playing the role of advocates/referrals for the organisation. With relationship marketing and customer relationship management (CRM) proving to be worthy strategies, greater attention is now given to retention policies and tools, which provide a base for the same. One such tool is (loyalty) rewards program.

Reward Programs
Reward programs function such that when a customer buys a product and enrolls in a company’s loyalty scheme, s/he is awarded certain points which are redeemable by way of a gift or adjustment against future purchases. It has been defined “as a program that allows customers to accumulate free rewards when they make repeated purchases with a firm”; the purpose of such strategies is to build long term “personalized relationships” with the customer. The program may not benefit the customer in a single purchase, but is “intended to foster customer loyalty over time”. Thus, one time scratch cards or discount coupons would not be covered under the category of a loyalty program (Liu 2007, Waarden 2008).

As points accumulate, a bonus may also become due, thus making points accumulation a fruitful exercise. Since even the redemption is generally in a fixed ‘currency’ (or points) a certain balance would always remain. Thus the customer has a stake in the company which acts as a barrier to exit (Duffy 1998). Besides the economic gains, other soft benefits by way of exclusive personalized services (separate check in, special offers/services, personalization, select sales, upgrades) may also accompany the rewards program.

Business hopes that given the benefits, customers would like to make all/most of their category (dealt with by the store) purchases with it rather than sharing the wallet with other competitors. Thus, enrolment in a rewards program is believed to result in increase in both frequency of visits, as well as, basket size.

Trends in Loyalty Industry
Rewards programs have been used as a tool to encourage customers to make repeat purchases, for more than fifty years. During the 50s–60s supermarkets have been known to use “merchandise set collection promotions” (dinner ware, cutlery sets etc) with different items gifted across different weeks so as to encourage customers to come again, make some purchases, and complete the entire set. Airlines, which have received much credit for such (reward) schemes, introduced their versions only later. In the 70s, Southwest Airlines launched the “Sweetheart Stamps” promotion providing business travelers with a free ticket to take a companion along on accumulated credits (Bellizi and Bristol 2004, Gilbert 1996, O’Malley 1998). However, the first formal and structured reward format (AAdvantage, the frequent flier program) was set up by American Airlines in 1981, at a time when airlines faced initial turbulence, subsequent to the U.S. Airline Deregulation. United Airlines followed soon after with its Mileage Plus program. Subsequently, the number of companies introducing such programs increased with leaps and bounds across most service sectors/industries viz. retail, hospitality, medical care, telecom, banking, pharmaceuticals, etc.

There are over 400 reward programs in USA (including 40 national consolidated schemes) having “...more than 1.3 billion memberships in US loyalty programs...” with about 90 million fliers enrolled in frequent flier programs. More than three-fourths of families participate in such programs; average household memberships at 12 with almost 40% “active” memberships (Colloquy 2007) and average membership of more than four programs per adult (Mollet 2004, Capizzi & Ferguson 2005). Four out of every 5 grocery retailers in USA offer reward points. Similar observations have been made in Canada with about 70% households participating in at least one program. Such loyalty schemes are popular across Europe as well, though the numbers may be somewhat lower. For example, there are about 100 (rewards) programs in Germany with more than 40% families participating in them; average enrolment of a family in the loyalty schemes is about 1.74 (Garcia et al 2006). Even small business owners are tied with one program or the other with their suppliers with the average participation over 2.3 (Capizzi & Ferguson 2005).

Customer Loyalty: Twin dimensions
While repeat behaviour is often seen as a strong indicator of loyalty, a large body of researchers view it as an interplay of both objective behavior (repurchase frequency and transaction value) and the affective (satisfaction, trust, commitment). Several authors hold the view that “loyalty based on only repeat behavior is fragile”; it is ‘true loyalty’ only when both the dimensions are
present (Dick & Basu 1994, Trinquemeste 1996). Oliver (1999) has also included these factors as indicators of consumer loyalty ("...commitment to rebuy or repatronism..."). While some recent studies on impact of reward programs on loyalty behavior (viz. Noordhoff et al 2004, Gomez et al 2006) have been carried out incorporating the two factors of "true loyalty", most continue to focus on repurchase behavior (mean basket value, frequency, intervals between two visits, etc). In fact, most rewards programs are simply ("me too") clones, especially in the retail sector, where unlike air travel, a lack of soft benefits has rendered programs as a means to economic utility (alone). Thus when a membership is offered (or promoted) to a customer s/he signs up even though his involvement level in the program may not necessarily be high. In fact, a recent study (Gustafsson 2004) found customers, who enrolled in a program with respect to telecom, reporting that it is solely due to "practical reasons". "I don't want any club feeling, I want to have the best deals. I feel no loyalty for the company....". It seems like a transactional benefit, you purchase, collect some points, redeem it one day as a kind of a discount or a gift. The motive appears to be purely monetary. Thus, contrary to proponents of rewards programs, the touchstone (for a rewards program) continues to be behavioral loyalty or transactional growth (frequency and mean basket size), presently.

**Downside in Rewards Programs Market?**

Growth in memberships across programs was recorded at about 30% between 1996 and 2000 in USA slowing down to 8% in 2001. Subsequently, annual growth came down to 4% (in USA) with parts of Europe and Australia reporting similar trends. Active members (those earning/redeeming points within a period of past 12 months) was also low at 25% (Capizzi & Ferguson 2005). It is believed that presently there are billions of dollars worth of accumulated points with customers, especially the frequent fliers, with United Airlines alone having a liability of over (US) $700 million in terms of loyalty rewards (Waarden 2008). While at one end, investing in establishment and maintenance of such programs costs millions to business, on the other, customers have begun to show apathy to them. Research shows that even though the number of people enrolling in the programs is high, not many understand the intricacies of the points system and fewer still, use them. Proliferation of programs having similar offerings have rendered them unattractive to the customer (Capizzi & Ferguson 2005, Bellizi & Bristol 2004).

**IMPACT OF REWARDS PROGRAMS ON CUSTOMER LOYALTY**

Several studies do indicate that at an average, members purchase more in dollar terms, with a higher frequency of purchase, as well (Bolton et al 2000, Benavent et al 2000; Dowlings & Uncle 1997; Dreze & Hoch, 1998; Lewis 2004, Matilla 2001; Meyer & Warden, 2002; Mclay & Bennett 2000; Vorhoeff 2003). Another recent research (Gomez et al 2006) also suggests significant differences between members and non-members with the former showing greater behavioral (as well as, affective) loyalty; though the members claim not to have increased their spending with the firm after enrolling in the program.

However, several other authors report mixed results. For example, Sharp & Sharp (1997) failed to find significant increases in repeat buying across stores. Leenheer et al (2003) found that rewards programs in stores raised wallet-share of customers (though it was observed in only 4 out of the 7 programs studied). Studies by Magi (2003) also revealed that while both wallet-share and store visits increased with membership though at the chain level (as against a store), that with competitors went down. Meyer-Waarden & Benevent (2006) who carried out a survey among grocery stores in France, also came up with mixed results. Some authors (O'Mally, 1998; Whyte, 2004, etc) suggest that the programs may only bring about spurious loyalty which would not translate into commitment while some others (authors) have even demonstrated virtually no differences between their buying patterns (Bell & Lall, 2002; Benavent, 2000; Meyer & Warden, 2002; Sharp & Sharp 1997; Wright & Sparks, 1999, etc). Bellizi & Bristol (2004) who carried out a mail survey in a metropolitan in USA on membership and behaviour with respect to grocery stores, in fact, even found an inverse relationship between supermarket loyalty and card ownership, as also, between frequency of card use and supermarket loyalty. Walsh et al (2008) have also reported behaviour: "...card membership negatively influences the relationship between customer satisfaction and customer loyalty...". 

**Cross-sectional Vs Longitudinal Studies**

As obvious, not much is understood about the impact of reward memberships upon consumer spending. One view put forth by researchers is that the while the programs may not enhance repeat behavior, "its main contribution is retaining the already loyal customers" (Gomez et al 2006). It has been argued by some others that since findings, in general, so far, have emanated from only cross sectional studies, which are subject to "self-selection bias" (frequent buyers find program enrolment more beneficial, thus differences exist right at the very beginning), it would be meaningful to study dynamic behavior change over time (Leenheer et al, 2003; Verhoef, 2003). Among the few longitudinal studies, Allaway et al (2006) found that "only a small group of members demonstrate behaviors that can be considered truly loyal..." with a prominent effect of geographical factors. Another study (Lewis 2004) found that post reward (increased) buying reflected behavioral loyalty. Very recently, Liu (2007), based on a (long term) longitudinal research, has also reported impact of programs upon behavioral loyalty. Even though he found the same among only one category of customers, he was able to partly explain why previous studies have showed mixed effects. The researcher classified members under three categories- heavy users, moderate users, and low users and on studying their buying patterns over a period of time found that it were only the moderate users who significantly raised their buying pattern, while the other two categories did not (due to varying utility of raising purchases). In another recent longitudinal study, Waarden (2008) has also demonstrated direct effects of memberships on buying behaviour and pattern (higher "mean and total store basket values, purchase frequency and share of category purchases, lower inter-purchase time...", and decreased store switching) across a three year period. However, the author has not reported segment-wise analyses which could have provided a deeper understanding into the likely causes behind variations in buyer behavior (as carried out by Liu, above).

**Efficacy of Rewards Programs**

Loyalty researchers, evaluating the impact of various reward programs on consumer spending patterns, proceed with a presumption that given a strategy based on points, earned on purchases (with various rewards placed at certain milestones), consumers would flock in to buy more frequently and in greater quantities. However, while it may make (economic) sense to business, does the customer also find any worthwhile benefit in responding to such programs by way of investing his loyalty with one goods/
service provider? Sheth & Parvatiyar (2000) argue that consumers have so far learnt that exercising ‘market choices’ has always been beneficial; it has been one of the basic tenets of competition in favor of the customer. Thus why should s/he purposefully reduce those choices (foregoing the opportunity to buy from other marketers) and restrict himself to one provider? The authors believe that if at all customers engage in relational behavior it would be “…to reduce the task of information processing, …more cognitive consistency…and to reduce the perceived risk associated with future choices” among other reasons, such as family norms, peer groups, and employer influences.

Taking the discussion ahead, Bolton & Bhattacharya (2000), who proposed a model explaining when a customer would choose to forge a relationship with business -whether to withdraw from, maintain (at same level) or build (raise) the relationship further- depends on a host of factors which may function in a set hierarchy/ at tandem. That is, product satisfaction, relational efforts, switching costs/risks, customer attitudes, trust, and the value of carrying on the relationship would be major determinants in the final outcome. Hence, it would be too simplistic to assume that a customer would become loyal only because he has been offered a reward scheme along with the company’s product.

**Reward Programs & Factors Affecting Consumer Spending**

Even if a customer is tempted to make most of his purchases at one store there may be several limiting factors. These factors, discussed below, could govern the response of a customer to the program.

As can be deduced from the findings of Liu (2007), when a customer is already giving his entire wallet share to the store, surely he cannot go further, subsequent to a membership. Or, while he is keen to increase his spending, the store may not carry many of the goods (within the category) he is interested in (Rowley 2007). Or for argument sake, even when both the above conditions are met, he is not happy with the store processes/ the overall experience (Wong and Sohal 2006). And so forth. Thus, he can not increase basket size beyond a limit.

One, therefore, needs to consider whether, for example- i) this store meets his needs across all category goods, ii) (if so) he sees value in the products he finds here, iii) the shopping experience is pleasant enough, iv) the program provides him the value he is looking for from the association, iv) he can conclude that overall, it is worth sharing more of his wallet with this store meets his needs across all category goods, ii) (if so) he believes that if at all customers engage in relational behavior it would be “…to reduce the task of information processing, …more cognitive consistency…and to reduce the perceived risk associated with future choices” among other reasons, such as family norms, peer groups, and employer influences.

**Proposed schema to assess rewards impact**

Possibly, several factors at tandem, help a customer decide whether it is worth buying more from a store (behavior loyalty). These can be categorized as (Figure 1), i. the preconditions to increase in behavioral loyalty (micro factors), 2. motivating variable (rewards), and 3. other moderating backdrop (macro factors).

1. **Micro factors (Store and scheme adequacy) as Primary preconditions.** It has been opined that like business, customers also segment stores even within the same product category since “no one business” meets with all their needs (Rowley 2007). That customer are polygamous (multi-store membership and loyalty) is well documented in loyalty literature. The probability of being polygamous is higher and obvious if category needs are not fully met in one store. This being the case, a higher wallet share expectation may not always be met. Thus-

Customer perception of (extent of) category needs offerings in a store is relevant in his loyalty decisions. As mentioned earlier in the paper, Liu’s research (2007) revealed that purchase patterns increased for only those customers whose pre-membership purchase level was moderate; where the room for growth existed and benefits were perceived to be just round the corner (customers being already close to point threshold levels where real benefits start flowing in). Thus-

**Existing purchase levels would be important here.**

What about the experience (other than goods) in the store? It has been observed (in a retail environment) that service quality factors such as customer-employee contact, courtesy, instilling confidence, handling complaints, etc contribute to customer commitment. Other studies (Sivadas and Baker-Prewitt 2000, Wong & Sohal 2006) also indicate the same. Bellizzi and Bristol (2004) further found that certain other factors such as faster check out lanes or even a greater variety of produce could be more important than reward schemes, in the case of supermarkets. Even though it is held that the low point accumulation rates in retail stores (as against airlines where large numbers of points get generated in a single trip) may not be sufficient to bring about long term commitment (affective behaviour), satisfaction with the overall store experience will have to be a basic prerequisite, though not a sufficient condition to behavioral loyalty. Thus-

Store processes and the entire shopping experience have a direct bearing on loyalty behavior.

2. **Rewards benefits as a motivator to improve purchase patterns.** With multi-card membership a living reality, business must understand that customers will compare the benefits of one scheme against another (Bowman and Narayandas, 2001; Yi and Jeon, 2003). Therefore, scheme design as also its administration would affect loyalty of a member. There is evidence that rewards unrelated to the store (product category) do not motivate them (Liu 2008, Kivetz 2005). Besides, customers may prefer exclusive service (fresh stocks, sale, timings) to more discounts. Further, customers may become unhappy when they find that the schemes are not structured to extend meaningful rewards/benefit to them. Hence, do the rewards hold enough value to the customer?

In fact, there is even growing literature on consumer frustrations with rewards schemes (Stauss et al 2005, Lacey & Sneath 2006, Wendlandt & Schrader 2007). Thus-

Customer perceptions about program value, considering how it is designed and managed, will influence his purchase patterns.

3. **Macro (socio-cultural) factors as influencing backdrop.** Will customers within /across societies respond similarly to a program? What about emerging economies in the east? Countries such as India are witnessing fast growth of organized retail as also, introduction of rewards programs in the country. Customers so far, have been used to buying from smaller retailers who understand them closely and have been giving them personal attention. Many such customers may feel uncomfortable in bigger (organized), impersonalized retail outlets. While the concepts are new to both the young and the older customers, will the former respond more favorably?
Ample information on impact of demographics on rewards program response is not available. Two recent studies found young customers more comfortable with reward programs (Pattersen 2007, Ferguson & Hlavinka 2008). It has also been reported that younger customers, as also, those from lower income groups are more loyal (Pattersen 2007). Ferguson & Hlavinka (2008) also found varying responses to rewards preferences among customers from different income and age groups. Though Walsh et al (2008) did not find effects of gender and age, income did act as a moderator in the relationship between satisfaction and loyalty. Thus-
Customer demographics would impact loyalty behavior.

Figure 1
Purchase Pattern As A Response To Rewards & Other Factors
Hitherto, almost all of these researches have been carried out amongst western societies. Would customers in east respond to rewards as did those in the west? Noordhoff et al (2004) who compared the loyalty behaviour of customers in differing cultures report that both affective and behavioral components of loyalty were higher among customers in Singapore (East) as against those in Netherlands (West). The authors attributed this behavior to the collectivist nature of the eastern societies. Straughe & Miller (2000) also found that collectivist societies tend to act as a bureaucratic structure barrier to change, when (“foreign”) retailers step in, concluding that culture is an important indicator to (domestic) store loyalty. Choi & Kim (2008) further found different responses to promotional schemes between customers in Canada and Korea. Thus-
Loyalty responses to reward schemes are subject to cultural factors;
what may work in one society, may not necessarily work elsewhere.

CONCLUSIONS
It is important to ascertain the outcome of a rewards program considering that millions of dollars are invested in setting it up and maintaining the same. Numerous efforts have, thus been made over the years to determine whether, and to what extent, reward programs affect consumer spending subsequent to membership. Cross sectional studies came up with mixed results, thus longitudinal researches were carried out in the recent years. While some of these (latter) studies succeeded, unto some extent, in uncovering the reasons for clouding of results in the previous researches (such as usage levels in the research conducted by Liu), a clear understanding is yet to come. In order to assess impact of rewards programs and better comprehend the dynamics therein, one may need to sift through the layers of customer data; it would be incorrect to measure effects of a rewards program among all sets of customers. With memberships coming in free, customers’ involvement in the enrolment is low, which is also indicated in the majority being generally inactive. Therefore, as suggested in this paper, one ought to first identify customers among whom an impact can be theoretically expected. Hence, one would begin with those customers who qualify at the micro (hygiene) factors stage. Further, among them, only those customers who find value in the rewards program benefits, are relevant, thus can be expected to raise post membership purchases; others may merely maintain or even lower their purchases if a competitor offers better value. Across this customer base, the macro factors could further moderate post membership purchase responses.

REFERENCES
Kivetz, Ran (2005), “Promotion Reactance: The Role of Effort-
318
Lewis, Michael (2004), “The Influence of Loyalty Programs
Magi, A.W. (2003), “Share of wallet in retailing the effects of
of loyalty schemes” , Journal of Consumer Marketing, 24 (5), 351-64.
Walsh, Gianfranco, Heiner, Evanschitzky and Maren
Sivadas, Eugene and Jamie L. Baker-Prewitt (2000), An
Sivadas, Eugene and Jamie L. Baker-Prewitt (2000), An
Wong, Amy and Amrik Singh Sohal (2006), Understanding the

ABSTRACT
The Indian retail scene is rapidly evolving. Even though the

RESEARCH PERSPECTIVES ON INDIAN RETAIL
LOYALTY PROGRAMS
Amit Mookerji, Indian Institute of Management- Lucknow

318 / Reward Programs and Loyalty Behaviour in The Indian Retail Sector

(5).
Garcia, Gomez Blanca, Ana Gutierrez Arranz, and Jesus
Gutierrez Collan (2006), “The Role of Loyalty Programs in
Behavioral and affective loyalty”, Journal of Consumer
Management, 23 (7), 387-396.


The Indian retail scene is rapidly evolving. Even though the base is huge, it is yet to develop just as the retail industry is to evolve. Large format stores provide a certain value to a customer, and a benefit based on a given pattern of shopping, such that, it enhances their total spend or category share. On the contrary, surveys on Indian customers have revealed many interesting facets of shopping behaviour that may not be amenable to change using the rewards commonly used. For customers to change their habits, it may need specific values from the loyalty programs.

Loyalty programs thrive on changing or maintaining buying patterns and retaining customers on the basis of the given format and retail brand driven value propositions. Cross-selling programs work on the shopping basket of customers trying to get a larger share of goods purchased. Of course, promotional means such as


Sharp, B. And A. Sharp (1997), “Loyalty programs and their

318 / Reward Programs and Loyalty Behaviour in The Indian Retail Sector
price offs, discounts, etc. are rather popular, but going through
the loyalty route has also proved profitable in certain Indian
operations such as Shoppers Stop, Ansal Plaza, and so on. It is a
common practice to give the loyalty card membership base a first
look (preference) on certain occasions (such as special offers) in
order to give a feeling of better value and privileged treatment.

Such molding of behaviour through loyalty incentives seen
in card programs or air miles in India, may also be found in
particular product retail sectors: preto- products, financial sector,
housing (sector), and stores (Shoppers stop, malls such as Ansals
Plaza etc in Delhi). Since the format will probably evolve with
features unique to the Indian culture and market scenario, it will
probably involve a model that requires unique drivers of revenue
and margin, based on specific customer purchase drivers and
patterns.

CHALLENGES FOR LOYALTY PROGRAMS IN INDIAN
RETAIL

Indian retail, traditionally has been very strong on the
relationship front. As a country rated high on the collectivism,
and masculinity dimensions on the Hoffstede scales, it may also
be surmised that such dimensions as social networks will be
important in all facets of life. Local retailers have been using
practices such as individualized credit systems, which take note
of the buyer’s status.

Given this predilection for high customer intimacy, very
specific credit and service terms, customization of retail offer to
family level buying units, the traditional retailers’ value
proposition and relationship strength and modes of maintaining
them, will affect the value proposition and relationships generated
by large format stores. The affect on the kind of loyalty programs
and their loyalty miles and per dollar returns to customer and
company, is likely to differ significantly from international retail
loyalty programs, due to this reason.

The programs aside, “real” loyalty, and effects such as wallet
share, shopping baskets, and other value drivers for stores, will
be affected by the overall shopping value provided by the formats
and store brands. Competing with the typical traditional retail in
this culture and socio-economic milieu may not be an easy task
with the standard loyalty program type customer value delivered,
such as miles programs and privileges. Thus the common drivers
of lifetime such as retention value may not create much revenue
streams for store, given that individual customer purchases at a
store might be very small, with most buying spread over separate
stores, where loyalty runs generations.

RETAIL CUSTOMER’S BUYING BEHAVIOR IN INDIA

In this scenario, a recent survey of over eight hundred
shoppers across different types of shopping centres located within
the National Capital Region of India (NCR) shows that the
customers in metro areas such as New Delhi, on an average, shop
for between one and two hours on most shopping occasions. The
survey captured opinions and habits of the shoppers across income,
education, and shopping location preferences, also focusing at
typical shopping spends, categories, and shopping activity
characteristics.

The reported intention and readiness to change the current
shopping behaviors and habits, was evident for some aspects which
supported the typical large formats such as hyper markets – the
readiness to travel longer distances to shop for greater price
oriented value, the readiness to stock up for a week or month
rather than shop daily or when needed, to explore newer options,
and shop for all things at one place. However to drive this intention
to sufficient scale among customers and actually changing their
habits may need specific value(s) from the loyalty programs that
miles and points rewards programs may not enable, as was also
brought out in the survey results, discussed ahead.

In a similar fashion, surveys have revealed many interesting
facets of shopping behaviour that may not be amenable to change
using the rewards that are commonly used. It would be necessary
to develop and use a research based framework for rewards and
shaping mechanisms unique to India to create and manage loyalty
programs in the country, successfully.

Research issues for loyalty program design in Indian retailing

The following areas need to be explored through greater
research for allowing retail loyalty efforts to become more
effective.

1. The effect of retail formats on perceptions of value, and
resultant influence of loyalty programs on these shopping
patterns. Shopping for different categories is often influenced
by store image, and store format. The large versus traditional
store formats is an issue that influences the way shopping is
done, as mentioned earlier, and would determine what value
is being sought by the customer, and whether the loyalty
program delivers relevant and aligned value that will lead
to desired behaviors. If for instance, the shopper selects large
format departmental stores due to perceptions of variety and
quality of selection, and is not governed by prices to a
significant level, then a price discount based loyalty program
may not provide monetary incentives significant enough to
draw visitors to a different format. This is borne out by the
survey which discovered that visitors to departmental stores
choose stores primarily on format characteristics such as
variety in selection, and are not drawn to other formats by
price incentives. This is significant in India particularly due
to the emergence of new formats in the shopping mainstream:
especially large format stores, and chain stores with a unique
value proposition. Format evolution to a great extent defines
the consumer value proposition at the broad levels, say value
driven versus premium, quality, and feature driven offers at
higher prices. It defines shopping behavior more than just
location and format of choice – it would include choices
such as destination shopping over local convenience stores
and supermarkets of the neighborhood; leisure cum
shopping; shopping cycles and shopping baskets, and
stocking up versus daily buys.

2. The effect of specific category shopping preferences, in terms
of store and product brand choice patterns, on store loyalty.
For instance, cross selling of categories and within category
products, or up-selling would depend on whether the
customers shop for the categories from the same store and
at the same frequency. Category shopping patterns vary
across category to quite an extent; where shoppers may
personally visit stores for some categories they may have
family care-providers shop for groceries and other items.
Further, the shopping may be done on credit at store level,
or in cash, or on credit cards/loyalty cards, depending on
who visits the store, which then becomes category dependant.
The kind of incentive that works in shaping desired behaviors
would need to consider this aspect.

3. The relationship practices of existing retailers in the
traditional context, would determine the effectiveness of
loyalty program rewards, methods and medium. The value obtained by shoppers from such relationship practices would be one issue. For shoppers already loyal to existing retailers in the traditional sector, for various categories of products, and additional loyalty rewards, to overcome the switching barriers, would be required. Secondly, behaviour patterns would in most cases have become habitual over time, and shaping shopping behaviours enmeshed in the lifestyles and activity patterns of individuals and families may raise more issues typically encountered by loyalty programs attempting to change habits. This becomes important in the context of a tradition-rich society, as well as one in which lifestyles are evolving due to various pressures of modern life. Third, the mode of relationship building in the two sets of practices – loyalty programs based on rewards, and traditional retailer’s practices related to credit, customization & personalized services, and socio-psychological binding would present interesting interactions in their influence on a customer’s shopping behaviour. In this context, the survey reveals, over 77% consumers prefer to pay in cash, and 26 percent still prefer the typical 30 day credit given by the traditional neighbourhood retailer to families within the nearby residential areas. Just over 23 percent report using cards regularly for purchase, and this percentage of buyers is seen as coming from the higher income strata. However the users of retailer credit for 30 days, come from across income, education, and age strata thus indicating that such credit mode preferences are particularly strongly rooted in the culture and traditions; card users also use the store’s monthly credit facilities.

4. The cultural norms related to shopping in India, vis-à-vis loyalty program targeted shopping behaviours. The survey found that those who have high spends, and use credit cards in general, come from the higher income and educational strata, and do not seem to prefer the card based benefits they would garner from higher total spends on the cards – majority still uses cash. Such preference for cash may be unique to the Indian socio-economic regime, since there are various connotations of using plastic money in India. Card based programs may thus need to change the acceptance level of plastic for shopping- even amongst those who do use cards, the acceptance of a separate loyalty card, and further, to use the card across categories with a single retailer where they may not shop for such categories, traditionally. Users of retailer credit for 30 days, come from across various age strata, showing that such credit preferences have been transferred to the new generation from the old, and are particularly ingrained in the society. The particular behaviour of their customer base, desired by stores, becomes a rather standardized pattern in mature markets. Large format stores of a particular type draw customers looking for specific value proposition associated with that business model, and would benefit from a particular pattern of shopping from their customers. Establishing that pattern may face challenges due to such cultural or socio-economic norms.

5. Segment differences in loyalty reward effectiveness, and feasibility of targeted behaviour change. The Indian market includes many socio-cultural and geographic groupings leading to diversity in norms and patterns of shopping, as well as, lifestyles and products, markets and stores. There are two issues here – the store chain loyalty program will have to accommodate many such diverse groups’ norms, preferences and feasible loyalty behaviours in their program, across regions, communities, and geographies, as well as, categories of products. Further, the program would have to consider that for the same store and same product category there are very different behaviours likely to enhance profitability, across such segments and hence face the risk of conflict within. The demographic differences within the urban setting are captured in the survey mentioned above – card usage versus use of credit from small neighbourhood stores directly, versus cash is one example. But spend levels differ distinctly, across income and education and so does readiness to change. Preferences for the value proposition of different large format stores also differ across consumer income and education strata.

Over 30% of respondents stated they usually shop for less than an hour for most categories such as groceries, apparel, etc. and they may not be amenable to destination shopping, and may not be lured easily by loyalty programs to change this behavior, so necessary for up-selling and cross-selling – the time to make a sales pitch, and to explore a larger number of items for the shopping cart. It also revealed that around 12 percent spend more than two hours on shopping in general, and may be good targets for leisure shopping and related loyalty program maneuvers. Further, three quarters of customer travel more than 2 kilometres to buy occasional goods such as apparel and durables, and a good 29 percent travel more than 10 kilometres for the same. On the other hand, nearly 55% respondents surveyed, reported moving less than 2 kilometres when buying FMCG and grocery products, though over four percent did report traveling more than 10 kilometres for the same. The latter in both cases turned out to be from the higher income and educational strata. However the mix of customers who reported lower to moderate travel distances for both types of products, were seen to come from a variety of socio-economic strata, reflecting a value orientation leaning towards local supermarkets and convenience stores. As such, this trend would need to be changed by large format stores, and may become a part of the behaviour change sought by programs based on cards or other typical “loyalty” programs.

6. The segment differences would also come from the rural – urban divide in India. Of the over ten million stores, the majority are in smaller towns and villages. Shoppers in villages traditionally shop for small items and in small quantities from village stores, are brand loyal, but use mostly unbranded goods (Tuli et al, 2003). They buy in larger quantities from towns, and haats (temporary markets set up on a regular basis usually catering to several villages, on predetermined days of the week or month). They present a large retail target, and ventures such as the ITC’s E-chaupal, the Haryali Bazaar, and other store chains have started tapping this market. Store branding is important and loyalty to brands is strong in rural areas.

It is however likely that the loyalty drivers in the rural context will differ from the urban context, due to the factors affecting value perceptions, as also due to the way shopping is done, and the stores involved. Further, as the rural shopping pattern differs and the profitability driver may also vary, setting up a program differing in both rewards and targeted behaviour
may be required. Indeed one has to also consider the differences between the shoppers who try out new stores and enroll for loyalty programs, versus those who retain traditional shopping patterns. The value perceptions, expectations and loyalty drivers for both may be very distinct. Readiness to adopt a new store format for purchasing durables and apparel, seems likely in most income categories, but differs for groceries across income groups. For groceries, then, the stores may need to have a different program for customers who are ready to shop in large format stores and say buy in bulk, shop for many categories together, visit a destination for a significant period of the day, spend a larger amount on groceries at one go (maybe use plastic money), aligned with the income group, than lower income groups which are less ready for higher one time grocery spends at new large format stores, but are ready to shop around in such stores for apparel and durables.

For popular Indian formats such as hypers, the signs thus indicate that grocery brands should be segment specific, while apparel needs to cater to large variety of income groups, and further that total spend based programs would then see a large divergence based on category of goods purchased, rather than loyalty to the store. This could become indicative of a cross sell program rather than a share of wallet or spend level rewards program. This is of course an issue that all markets face, developed or emerging, but the differences are more marked in an emerging market where there is such diversity, as in India. Many other such nuances will need to be coordinated after a specific research on such effects.

7. Readiness to adopt changes. The readiness to adapt to changes in established shopping rituals, adopt new store formats and chain stores (which run the major retail programs in India) and the emerging market trends shaping and being shaped by growth phenomenon, would need specific research to understand the issues involved in the success of the typical loyalty programs, say those based on incentives such as those in credit card rewards programs, or retailer card based total spend programs, as against new category spend based retail programs.

CONCLUSION

To conclude, it may be said that the emerging market concerns, the Indian cultural and demographic diversity, the established retail context on one hand, and shopping rituals on the other, the winds of change sweeping across India, would necessitate extensive understanding on the above mentioned dimensions, to feed successful loyalty programs in the retail sector.

REFERENCES


This roundtable is the flip side of the roundtable on “Re-appropriation in the Global Consumptionscape” proposed by Giana Eckhardt, Suffolk University and Søren Askegaard, University of Southern Denmark. In the Eckhardt-Askegaard proposal, the focus is on how Asian and eastern consumption practices are being re-appropriated and re-presented in western settings; and then re-globalized via the west. In this roundtable, we look at the historical and contemporary processes of rapid westernization in Asian consumption settings. Drawing from various interpretive perspectives, the participants in this roundtable explore how strong pressures of westernization commingle with long-established local cultural practices of India and other Asian countries to create hybrid and oft-contradictory consumptionscapes. A special focus of some of the presenters is on the exclusionary impacts of hyperwesternization of subaltern consumers who are left out of the ambit of rapid economic growth. We hope the organizers and reviewers would find both these complementary roundtables of interest.

Nikhilesh Dholakia (stage-setting introductory remarks)

The grand narratives pertaining to the relations of the East and West are crumbling. These include, on the one hand, narratives about the inexorable and hegemonic westernization of the “East” (Amin 1977), and on the other hand narratives about the West’s stubbornly held exotic-yet-inferior-alien-other imagery of East’s “orientalism” (Said 1979).

Under the contemporary economic and cultural pressures of motley processes that go under the catchall label of “globalization”, there are enough crosscurrents and eddies swirling (Appadurai 1990) in the cultural pots of both the “East” and the “West” to make any claims of grand, universal processes untenable.

My discussion here does not address westernization in any of these grand senses. Instead, I want to bring forth instances and a discussion of a reasonably local set of consumption phenomena. While the phenomena are contemporary, there are two major examples from modern industrial era Euro-Asian history that are relevant: Meiji Japan and Atatürk’s Turkey. I want to touch upon these briefly to foreground and frame the conceptual issues.

Under contemporary conditions, western or western-induced cultural practices are often adopted in a rapid, time-telescoped, and even somewhat incompatible ways by sections of the new economic elite in developing, emerging, and transitional economies. In such economic settings, there is a blurriness a priori awareness of (and longing for) the “West” and the cultural practices that represent the good life in the West. With political changes, such as collapse of communist regimes or rapid dismantling of licensing and import controls, the floodgates of desire open – allowing western goods and media to move in quickly and massively (Bach 2002). The resultant change in the affected pockets of Asia’s consumer culture is “hyperwesternization”: rapid, near-simultaneous adoption of oft-disparate western cultural practices. My discussion would provide numerous contemporary examples of hyperwesternization, with particular focus on developing Asia, especially China and India.

Based on historical and contemporary evidence, including detailed primary and secondary qualitative observations, I would present a conceptual frame to grasp the processes of hyperwesternization. The building blocks of this conceptual frame are: Telescopings of Cultural Practices, Frenzied Pace, Incongruity, Shallow Elitism, Complexly Layered Rubrics, Nostalgia, Reaction, and Resistance.

Julien Cayla

As Wilk (1995) would argue, the globalization of the marketplace works through the homogenization of structures, rather than the homogenization of content. If there is indeed a type of hyperwesternization happening, it is through the proliferation of marketing research tools, business schools and other capitalist technologies in non-Western countries. My discussion will provide evidence of such processes and related theoretical reflections.

Rohit Varman

In my discussion, I examine the influence of westernization on consumption of healthcare and food by subaltern consumers in India. I specifically focus on the shift brought about by hyperwesternization of institutions that traditionally provided health and food to subaltern consumers in the country. Here, I do not just interpret hyperwesternization as a cultural trend, but also as a socio-political process that has altered the institutional process of governance of exchanges involving subaltern consumers. This institutional shift brought about by hyperwesternization has given rise to a specific form of a consumer culture in which subaltern groups are increasingly dependent on a systemic imperative that is far removed from lifeworld embedded traditional consumption practices (Habermas 1981).

Søren Askegaard

In my discussion, I examine the contemporary global consumptionscape characterized by a myriad of global economic, technological and cultural flows. These flows connect different consumer cultures in highly complex ways. One outcome of global cultural flows is the re-appropriation of cultural practices in their places of origin, often in Asia or other non-western settings. After a process of sanctification in the Western hotbed of consumer culture production, such cultural consumption practices become ready for re-globalizing, including to their places of origin.

Giana Eckhardt

A west-emulating consumption frenzy of foreign goods and media took place in China during the late Ming period (1426-1566). During this time, gaining and maintaining status through consumption was a common preoccupation where consumers used material symbols, especially foreign ones, to manifest their social status (Hamilton and Lai 1989). My discussion will examine whether we can understand the current hyperwesternization happening in Asia, especially China, through a historical appreciation of the influence of the “foreign” on consumption.

Parthasarathi Banerje

In my discussion entitled “Contested practices of consuming health care: India and the West”, I examine the changing character of health care provision and health consumption in contemporary India. Westernization of both medical training and the patients’ worldviews in India are creating contested spaces of health care practices in India. Traditional Indian way of ameliorating
subjective conditions of felt pain via doctor-patient interaction, the ancient Aristotelian western vision of the perfection of body, and the contemporary post-Enlightenment western view of the objectively improvable body are all commingling to create complex patterns of health delivery and consumption in India. Through an analysis of different institutional interpretations of health, I show that hyperwesternization is privileging the post-Enlightenment view and is shifting the locus of control away from the patient-doctor dyad to a network of corporatized health care providers. This shift is not only marginalizing doctors as expert service providers, but is also reducing consumer agency that existed in the co-production of healthcare.

**Selected Bibliography**


Eisenberg, J.M. (2002), “Globalize the evidence, localize the decision: Evidence based medicine and international diversity”, *Health Affairs*, 21(3): 166-68


Effects of Tie Strength and Tie Valence on Consumer Word-of-Mouth Communication and Altruistic Intentions

Joseph Paniculangara, University of Central Florida
Barney G. Pacheco, The University of the West Indies

EXTENDED ABSTRACT

Among all forms of marketing communication, word-of-mouth (WOM) is possibly one of the most important but also the one least under the control of marketers. The Katz and Lazarsfield (1955) “two-step” model was among the earliest to identify the important influence of WOM on consumer purchase of low involvement products. The development of tools such as sociometry has spurred a resurgence of interest in WOM and the model developed by Frenzen and Nakamoto (1993) is particularly noteworthy, since it considers the combined effects of individual and structural factors on the flow of WOM. Building on Granovetter’s (1973) notion of “strength of weak ties”, which conceptualized a network comprised of strong and weak ties between members, Frenzen and Nakamoto (1993) proposed that weak ties could act as “drawbridges”, which could be raised or lowered depending on the “moral hazard” inherent in the flow of information between individuals in social networks. A limitation of their conceptualization is that it is somewhat one-dimensional, since it views information flow as dependant primarily on the strength of ties. While we agree that tie strength has an important role to play, we suggest that the valence of the ties is equally important in determining whether information transmission occurs.

Consideration of tie valence may also help explain why some consumers may be more willing to share information with “strangers” than with “friends” even when the presence of moral hazard may suggest the reverse may be more beneficial to the individual.

TIE VALENCE

According to Frenzen and Nakamoto (1993) when moral hazard is present, valued information is more likely to flow over strong than weak ties. Moreover, a consequence of weak ties is the practice of negative exchange where the information transmitted i.e. “bads”, is meant to hurt the recipient (the former USSR and the USA during the Cold War is cited as an example). While their model is parsimonious, the mapping of ties to exchange is not perfect, since a review of key findings from that study revealed that over 25% of the weak ties exhibited patterns of generalized exchange, even under conditions of high moral hazard.

We argue that this inconsistency can be explained by factoring in the valence of the tie. Specifically, when the transacting parties have a prior relationship that is positively valenced, weak ties may serve as conduits not only for the exchange of “bads” but also for the sharing of information that could benefit both parties. Thus, relationships can be described not only in terms of the strength of ties (strong or weak) but also in terms of the valence of the tie (i.e. positive or negative). Expanding conceptualization of the tie to include the valence of the tie provides a richer description of the relationship between parties in the social network, such that positive ties would exhibit some affinity whereas negative ties would be marked by enmity. In our expanded model we see relationships or ties as having magnitude in the form of tie strength (strong/weak) as well as direction in the form of tie valence (positive/negative). It is important to note that tie valence refers to the relationship between the two parties (positive or negative) and not the valence of the information that is transmitted.

The expectation is that strong-positive ties would involve a high intensity of social relations (Brown & Reingen 1987) along with altruism (Sahlins 1972) whereas weak-positive ties would involve a significantly lower intensity of social relations that may potentially mitigate the level of altruism exhibited by individuals. Further, negative-strong ties would be characterized by high intensity and opportunism while negative-weak ties would be characterized by opportunism but with less hostile social relations. The impact of these factors in the consumer domain may shed light into how WOM information is spread and is captured by the following hypotheses:

H1: Individuals are more likely to share information and exhibit altruistic tendencies towards those with whom they share strong ties as opposed to weak ties.

H2: Individuals are more likely to share information and exhibit altruistic tendencies when the valence of their ties with others is positive as opposed to negative.

H3: The influence of a strong (versus weak tie) on information transfer and altruistic tendencies is likely to be attenuated when the valence of the tie is negative and accentuated when tie valence is positive.

EMPIRICAL EVIDENCE

To test our hypotheses, undergraduates (n=234) at a large Southeastern University participated in the study in return for extra credit in an introductory marketing course. Respondents were exposed to a scenario indicating that the respondent had access to two tickets to a sold-out sporting event and had met someone (friend or acquaintance representing strong/weak tie) with whom they had recently worked with on an assignment (strong contributor or free rider – representing a positively or negatively valenced relationship). Respondents then indicated their likelihood of telling this person about the tickets, their willingness to give away the ticket to this person if the respondent could not attend the game and the price they would charge if they had to sell their ticket to this person.

When interest in the sport was controlled for as a covariate, we found a significant main effect of tie strength (strong > weak ties) on the willingness to tell the person described about the tickets (p < .01) and give away the ticket (p < .01). There was also a main effect of tie valence (positive > negative; p < .01) as well as a significant interaction between the two factors (p < .05) on all three dependent variables. The data strongly suggests that respondents were more likely to transmit information and be altruistic toward individuals with whom they shared strong ties as opposed to weak ties and had a positive versus negative valenced tie with. It also indicated that the effect of tie strength is moderated...
by the valence of the tie such that consumers were more likely to exchange information with individuals to whom they had weak ties when tie valence was positive while the likelihood of transmission over strong ties was reduced when tie valence was negative. The evidence thus supports our hypotheses.

**LIMITATION AND FUTURE RESEARCH**

We assume similarly to Frenzen and Nakamoto (1993) that ties between individuals are symmetric. This implies that exchange of information is dependent on actors’ perception of their ties with others in the network. It is perfectly plausible however that asymmetries may exist in the way two individuals perceive the strength of the tie between them. We have not accounted for the effects of such asymmetries in our current conceptualization and this is an issue to be examined in future research.

**CONCLUSION**

The introduction of the notion of tie valence provides a plausible explanation for the transmittal of information over weak ties witnessed by Frenzen and Nakamoto (1993). Our re-conceptualization of network ties also predicts the extent to which these factors can influence not just the willingness to share information but altruistic marketplace behaviors. Inclusion of this factor in future studies would facilitate our understanding of social networks and the mechanics of information diffusion among consumers when moral hazard is operative.

**REFERENCES**


EXTENDED ABSTRACT

This study explored the effects of two dimensions of mood—valence and arousal (Russell, 1980; 2003; Russell and Barrett, 1999)—on consumers’ attitude and recall to advertisements. Previous research investigating the effect of mood on consumers’ attitude or cognition typically have examined mood as a global feeling construct. These researchers often probed the effects of good mood compared with bad or neutral moods (e.g., Aaker, Stayman, and Hagerty, 1986; Edell and Burke, 1987; Goldberg and Gorn, 1987; Holbrook and Batra, 1987). However, feeling states can be described by their position on at least two fundamental dimensions: arousal and valence (Russell, 1980; 2003; Russell and Barrett, 1999). This distinction between the arousal and valence dimensions is important because each may influence consumer behavior in different ways. Therefore, the purpose of this study is to probe the effects of both valence and arousal, especially the dynamic mechanism of the effect of arousal on consumers’ cognition.

As to the valence, previous research show that good mood leads to better attitude, while bad mood leads to worse attitude (Schwarz and Clore, 1983). When applying the above inference to marketing practice, consumers who have good mood show higher preference to the advertisements; on the contrary, bad mood consumer have bad attitude toward the advertisements (Xia, 2007). In the process of valence influencing advertising attitude, arousal plays a polarizing role because high level of arousal drives individuals to be more eager to process attribution (Dutton and Aron, 1974; Zillmann, 1971), and in the process of hasty attribution, consumers often intend to project their mood directly to their attitude (Dutton and Aron, 1974; Zillmann, 1971). Therefore, it is easy for consumer to misattribute their mood (valence) to their preference toward the advertising they’ve read when they are under high arousal situation. In other words, arousal and valence generate interaction effect on advertising attitude. Therefore, this study hypothesized that:

H1: In high arousal situation, the effect of good and bad mood on advertising attitude will be stronger than under low arousal situation.

As to the arousal, the results regarding the effect of arousal on consumers’ cognition in the previous research are controversial (Shapiro, MacInnis, and Park, 2002). Some researchers argued that arousal can facilitate the recall (Cahill and McGaugh, 1998; Nielson, 2003), while the others proposed the contrary outcome (Newell et al., 2001; Paulhus and Lim, 1994). This study suggested that the time order of mood and marketing information is the determinant that influences the effect of arousal. In other words, “reading the ad after mood stimulus” and “reading the ad before mood stimulus” result in different outcomes.

According to previous research, arousal influence recall in a positive way by its increasing the secretion of epinephrine. In turns, the epinephrine will “push” short term memory into long term memory in brains (Cahill and McGaugh, 1998; Clore and Schnall, 2005). In this condition, the assumption is that there is already something existing in the short term memory area of people’s brains. In other words, the remembered target should exist before mood arousal, ex: Nielson, (2003). Therefore, this study hypothesized that:

H2: In the “reading the ad before mood stimulus” condition, high arousal consumers will remember the marketing message better than lower arousal consumers.

On the contrary, researcher who argued that arousal interferes with message recall based on the mechanism that the high arousal condition distracts consumers’ attention (Singh and Hitchon, 1989) and depletes consumers’ cognition resources so that individual can’t contemplate and remember well without enough cognition resources. It is obvious that arousal have to happen before remembered target so that the high level of arousal can exhaust consumers’ cognition resources and interfere with information recall. Therefore, this study hypothesized that:

H3: In the “reading the ad after mood stimulus” condition, low arousal consumers will remember the marketing message better than high arousal consumers.

This research included two experiments to examined the hypothesis; both experiment were 2 (valence: good vs. bad)*2 (arousal: high vs. low) design. Experiment 1 explored the “reading the ad before mood stimulus” condition and examined H1 and H2. Experiment 2 explored “reading the ad after mood stimulus” condition and examined H1 and H3. Each experiment had 120 respondents random assigned in one of the four conditions.

The results of this study can be discussed in two parts: attitude toward the ad and recall to the ad. In both time orders (experiment 1 and 2), attitude difference between good and bad mood in high arousal situation were larger than low arousal situation. In other words, high arousal polarized the valence effect, and form more extreme attitude. Therefore, H1 was supported.

As to the recall to ad, the results show that time order was the critical factors influence the way arousal affecting ad recall. When consumer read the ad after mood stimulus, high arousal led to worse ad recall. On the contrary, when consumer reads the ad before mood stimulus, high arousal led to better ad recall. Therefore, H2 and H3 were also supported by the results.

REFERENCE


Advances in Consumer Research (Volume VIII) / 327


Managing Brand Relationships: Should Board-rooms Listen to Consumer Choices?
Mohammed Nadeem, School of Business and Management, National University, USA.

EXTENDED ABSTRACT
China and India are the fastest growing major markets in the world and the most popular markets for foreign entrants. Yet no study has examined the success or failure of these entries from customer choice perspective. Using a new definition of success and a uniquely compiled archival database, Burnett, and Hutton (2007) analyzed whether and why firms that entered China and India succeeded or failed. In such emerging markets Chief executive officers (CEOs) have a positive, direct, and long-term impact on how firms detect, develop, and deploy new global brand relationship strategies over time.

For the past two decades the existence of relationships between Indian and Chinese consumers and global brands has aroused much interest among scientists in the consumer behaviour literature. While the personification of brands has widely been investigated and several studies have demonstrated that consumers tend to attribute human characteristics to brands (e.g., Aaker 2004), still little research has been carried out on the issue of relationships between consumers and global brands. Therefore and in order to provide a basis for further research in this domain, this study reviews the existing conceptually drawn works on managing Indian and Chinese consumer-brand relationships and board-rooms impact in making decisions.

In addition, board-rooms may be so wedded to existing brand relationships strategies that they resist or actively fight new ones. Perhaps a more charitable view of the impact of board-rooms on global brands is that they are simply not very relevant in driving innovation in the firm. For example, some authors argue that, in general, the locus of innovation lies in the middle of the firm in the actions taken and procedures used by its middle managers (e.g., Burgelman 1994; Christensen 1997). Even at Intel, led by such technology luminaries as Andy Grove and Gordon Moore, middle managers appear to have played the crucial role in driving technological change at important transition points.

The interest in consumers and their behaviour towards consumption objects emerged with the article by Shimp and Madden (1988) that drew upon Sternberg’s theory of love from their mistakes would be helpful. Second, more precise for these drivers, success in India is lower than that in China. First, firms should consider not only the growth of emerging markets but also the success rates of prior entrants. Second, the progressive opening of the economies of China and India does not mean that firms should wait to enter when entry gets easier. The most important findings are rather counter-intuitive: smaller firms are more successful than larger firms and greater openness of the emerging market have lower success. Other findings are that success is higher with earlier entry, greater control of entry mode, and shorter cultural and economic distance between the home and host nations. Importantly, with or without control for these drivers, success in India is lower than that in China.

The study has several limitations that could benefit from further research. First, research on whether and which firms learn from their mistakes would be helpful. Second, more precise measures of Indian and Chinese culture are in order. Third, the evolution of a firm’s fortunes over time could lead to greater insights into how the firm adjusts its strategies to exploit the opportunities presented by emerging markets in India and China.

REFERENCES


Placebo, or Tonic?” *Journal of Marketing*, 69 (January), 114–30.


The Relationship between consumer guilt and product categories
Yu-Tse Lin, Fu Jen Catholic University
Kang-Ning Xia, Yuan Ze University

EXTENDED ABSTRACT

Walking on the streets, you’d easily be attracted by the clothing on the models in the display windows. Unconsciously you bought it with your credit card just because you felt it fit yourself. After backing home and looking at the tag, however, you then thought it cost too much. Also, there aren’t quite a few chances for you to wear it, so you began to regret it all and wondered why you’d spend so much money on such a useless product. In that case, the so-called “consumer guilt” took place.

The definition of “the sense of guilt”, in the past, was discussed by theologians, philosophers and psychologists. Freedman Wallington & Bless (1967) indicated the sense was based on one’s originally existing knowledge, and then judged it against his moral standard. Stein (1968) indicated that the sense was a kind of feeling to explain disobeying innermost standard. While Wolman brought up that when the sense took place, it reduced self-respect and then produced the thought of being willing to accept punishments. Roseman (1984) told that the sense of guilt was a kind of negative emotion as one experienced the right side but shouldn’t be done (like being unwilling to donate money) . Baumeister, Stillwell & Heatherton (1994) considered that the sense was an intention or a situation one dislikes, and then caused an unpleasant emotion. Tangney, Miller & Barlow (1996) showed it as a negative feeling, which means one realizes to disobey personal or social level, and it usually arouses one’s behavior of compensation.

In marketing area, the discussion of negative emotions is mainly aimed at fears, and the studies of fears claim the influences to customers. Not until Ghingold (1980) claimed the sense of guilt as a model of communication did the issue of the sense of guilt began to ferment in the marketing area. Also, Lascu (1991) made such a definition, “A consumer feels anxious because he learns he violates the criterions concerning ethics, moralities or the society.” While Burnett & Lunsford (1994) defined the consumer guilt as “A consumer made a shopping decision against one’s values, and a negative emotion happened; one would reduce his self-respect for what’s discussed above.” They also suggested four dimensions of consumer guilt: financial guilt, health guilt, moral guilt, and social responsibility guilt. According to the statements indicated by the scholars, owing to this study’s focus is on consumers’ doing shopping, so we’d use limited “consumer guilt” rather than generalized “sense of guilt.” Now we’d like to make a clear definition, “the negative emotion of a consumer disobeys social standards or personal values when he does his shopping.” Although previous research has defined consumer guilt, the difference between consumer guilt versus guilt in a general term is not clear. Beyond the several categories of consumer guilt, the construct and measurement of consumer guilt are still not available in previous research.

Thus, “the sense of guilt” could be thought as an old but modern issue as “it” appears and disappears without being highly noticed. At the same time, it affects customers’ shopping desires, and unconsciously controls their shopping actions. Besides, consumers purchase different product in order to satisfy different desire (e.g., Maheswaran, 1974; Sirgy, 1982). Sometimes consumers feel good, sometimes feel bad (e.g., Belk, 1988; Dittmar, Beattie, and Friese, 1995). According to what’s being discussed above, we’d like to realize what kind of reaction the so-called “consumer guilt” is when customers do their shopping. Also, we’ll concern about what dimensions are included, when it takes place, and the relationship between consumer guilt and product categories consumers buy.

Therefore, the study illustrates these major purposes. First, this study focuses on the construct of consumer guilt and intends to explore when consumer guilt occurs. Second, understand consumer will buy what kind of product in order to satisfy their self-concept, such of ideal self and actual self. Third, test the relationship between self-concept and consumer guilt. Forth, clarify the major construct of consumer guilt on different self-concept. For example, what is the major of reactive guilt and anticipatory guilt on ideal self or actual self. Finally, find out the difference of consumer guilt when consumers buy necessities or indulgences.

The results illustrate these major findings. First, the results pointed out consumer guilt had six constructs of emotion: hesitation, fear, scruple, reluctance to spend, regret, blame. Second, the past researches indicated consumer guilt can divide into two categories: reactive guilt and anticipatory guilt. This study finds that besides anticipatory consumer guilt and reactive consumer guilt, consumer guilt occurs at the point of buying. We name it proceeding consumer guilt. Third, the major construct of anticipatory consumer guilt is hesitation, the major construct of proceeding consumer guilt is reluctance to spend, and the major construct of reactive consumer guilt is regret and blame. Forth, consumers are more likely to feel guilty when they buy indulgences than necessities. Finally, if consumers’ ‘ideal-self’ is very different from actual-self, consumers feel guilty when they buy something in order to satisfy their ideal-self.
What is the best way to enter a new market for the firms whose brand is not known to the market? Samsung had positioned with an image of low price when it entered the U.S. market. For an unknown brand, a low price strategy is very typical because customers are not confident of the quality of new products. For inexperienced products, price is a good perceptual indication to predict the quality of the product. Dodd et al. (1991) found that the subjects clearly perceived quality to be related positively to price when price was the only extrinsic available cue.

Low price products are attractive to be purchased, but at the same time, they have a potential risk to be perceived as low quality. The word “cheap” usually means inferior quality and “expensive” is becoming a synonym for superior quality (Scitovszky 1945). Dodds, Monroe, and Grewal (1991) found that price had a positive effect on perceived quality, but a negative effect on perceived value and willingness to buy in their conceptual model of the effect of price on product evaluation. According to their findings, the effect of price on buyers’ perceptions of quality is not significant in the either high brand name or low brand name, but is significant in the brand absent level. When price was the only available extrinsic cue, people perceived quality to be related positively to price. But when other extrinsic information was present, the effect of price was less persuasive. There is a cognitive tradeoff between perceptions of quality and price (Scitovszky, 1945). Cooper (1969) find people avoid purchasing a product when they consider the price too high and are suspicious of the quality of a product when the price is much lower than their expectations.

Based on this previous research, I propose an alternative pricing strategy of an unknown brand. According to the previous strategy, many foreign and unfamiliar brands have positioned with homogeneous low price for all product lines when they enter a new market. The limitation of a homogeneous low price strategy is possibly to invoke a question of quality of the product. To reduce concern of low quality, an alternative strategy is the heterogeneous price strategy. In the heterogeneous condition, price of a targeted product of an unfamiliar brand is lower than that of established brands like the previous strategy, but price of other nontargeted products of the unfamiliar brand is almost equivalent to that of established brands. Rather than the homogeneous low price strategy, the heterogeneous price strategy is expected to reduce a perceptual risk of low quality because heterogeneous price strategy can prevent or at least delay invoking consumers from ‘low quality-low price belief’.

Suppose that Samsung launches televisions on a new international market in which the brand of Samsung is not well known, and that the firm has two kinds of televisions: 32 inch and 42 inch. It is supposed that 32 inch television is a targeted product. In the homogeneous price strategy, the price of two products is all lower than that of established brands. On the other hand, in the heterogeneous price strategy, the price of the targeted product (32 inch) is lower, but the price of the other product (42 inch) is equivalent to that of established brands. What I expect is that consumers will be less suspicious on quality of a targeted product of an unfamiliar brand in the heterogeneous price, because the price of the other product of the same brand could be played as a role of reference point to evaluate quality of the brand, and such price strategy can prevent or at least delay invoking consumers from ‘low quality-low price belief’. In addition, the effect of the heterogeneous price strategy is expected to be different from consumers in cultures high in uncertainty avoidance and low in uncertainty avoidance. Consumers in cultures low in uncertainty avoidance are expected to have more willingness to buy the targeted product in the heterogeneous price strategy. Another moderating effect is what product is used as a target. If 42 inch television is used as a nontargeted product that is used as a reference point for evaluating a targeted 32 inch television, which is arbitrary designated as the downward inference of quality, the heterogeneous price strategy will be significant, but if the target is reversed, which is designated as the upward inference of quality, the heterogeneous price strategy will be less
Pennies a Day temporal reframing effect in a domain of gain
Jungsil Choi, University of Kansas

People have limited rationality, and because of such a character, they cannot always make consistent decisions within a formal rule. The mental accounting theory that compensates for the classical expected utility theory is hypothesized to form psychological accounts for the costs and benefits of outcomes. Prior research on mental accounting predicts that consumers would prefer an integrated loss to segregated losses. In other words, a single large loss can be perceived as smaller than segregated losses. However, some other studies show that segregated losses can be perceived as smaller, when the losses are separated as very tiny amounts by the temporal reframing effect (Gourville 1998).

Based on this research, I hypothesized that the temporal reframing effect in a domain of loss could appear in a domain of gain. When a gain is segregated into tiny amounts by temporal reframing, the gain could be perceived as smaller than a gain when it is reframed as an integrated amount. To experiment the study, I used real installment savings in a bank, which is very common in Korea. The installment savings is a sort of saving account, but it is different from a saving account in that withdrawing money is not flexible instead of offering a high interest rate for a long period. I used two dependent variables, willingness-to-purchase (WTP) and perceived gain. Participants were asked to rate the dependent variables on seven point Likert scales ranging from never or small (scale = 1) to always or large (scale = 7). As I expected, when a gain was integrated, both WTP and perceived gain were significantly high (WTP: \( \bar{X}_{\text{segregated}} = 5.1379 \), \( \bar{X}_{\text{integrated}} = 6.6667 \), perceived gain: \( \bar{X}_{\text{segregated}} = 5.9425 \), \( \bar{X}_{\text{integrated}} = 6.6296 \)).

According to the previous research, consumers are more likely to rely on the discount rate than the discount amount when both are provided, when they make decisions (Darke and Freedman, 1993; Heath, Chatterjee, and France 1995). Based on this study, I expected that the temporal reframing effect would fade away when consumers know not only integrated interest income but also interest rates, because they make decisions based on interest rates rather than interest income. The results were consistent with my expectations that there would be no significant difference from temporal reframing when both interest rates and interest income are provided (WTP: \( \bar{X}_{\text{segregated}} = 6.0667 \), \( \bar{X}_{\text{integrated}} = 5.9643 \), and perceived gain: \( \bar{X}_{\text{segregated}} = 6.5222 \), \( \bar{X}_{\text{integrated}} = 6.2381 \)).

The theoretical implication of this research is that I find another case that is contrast to the prospect theory and the mental accounting principles in a domain of gain, whereas most findings of prior studies are in a domain of loss. The managerial implication of this research is that financial institutions can apply this strategy for creating attractive commercial claims, which zoom in an integrated interest income and zoom out interest rates.
**EXTENDED ABSTRACT**

With $31 billion spent in advertising, China has become the fourth largest market in the world in 2005. Along with the soaring increase in advertising expenditures, cases of banned advertisements due to political and ideological incorrectness have also climbed rapidly (Li and Shoshtari 2007). The ideological requirements of China’s advertising law make it necessary to consider the ideological legality of any planned campaign, in addition to cultural appropriateness (Cross 1990; Gao 2005; Wang 2008). Insufficient understandings of ideological components and misuses of key political symbols are likely to cause the banning of the ads or to evoke consumer protests (Gao 2007; O’Barr 2007; Wang 2008). Although previous studies have sought to contextualize changes of China’s advertising law within its sociocultural frame (see Gao 2007), the regulations regarding the law’s ideological components have not been examined within the context of actual advertising campaigns. In this paper, we seek to address this gap by examining how political symbolism has been regulated and how they can be appropriately used to promote brands through a semiotic analysis. In so doing, we also contribute to studies of politicized consumer culture that has been conspicuously missing from previous research (Arnould and Thompson 2005; Cohen 2003; Daunton and Hilton 2001; Zhao and Belk 2008).

Consumption has become a key part of social and economic life throughout the world (Belk 2002; Schor and Holt 2000; Stearns 2001). In China, the unprecedented influx of consumer goods and a thriving economy have led to a sweeping revolution of consumption since the late 1970s (Barme 1999; Croll 2006; Farquhar 2002). All this can be seen from changes in China’s advertising law and regulations and in this paper, we examine such changes.

In our study, the advertisements were scrutinized for ways in which ideological elements have been appropriated to promote consumption. We seek to exemplify how key political symbolism has been regulated in China’s notoriously vague advertising law. We analyzed not only previously banned advertising campaigns but also those that have successfully appropriated socialist propaganda to promote consumption. We sought to understand how these advertisements have violated or conformed to regulations regarding political ideology. We also collected textual data that may help to yield a rich interpretation of the advertisements, including guidelines of advertising production in trade press such as *China Advertising and Modern Advertising*, and editorials in the *People’s Daily*, the Party organ of the Chinese Communist Party. Our focus is to illustrate from a semiotic perspective how certain ads have violated China’s advertising law in order to offer the much-needed clarification of the vague articles related to political ideology in today’s China.

Through semiotic tools, we will explain why certain ads were banned and protested, whereas similar politicized advertising was tolerated. In so doing, we interpret the ideological components of China’s notoriously vague advertising law within contexts (Gao 2007). Key political symbols do not necessarily constitute taboos in Chinese advertising as assumed by ad gurus (see O’Barr 2007). Instead, Chinese advertising has appropriated dominant political ideology to promote consumption and to promulgate consumerist values throughout the 1980s, even though such commercialization has potentially helped to transform China into a consumer society (Zhao and Belk 2008). We also emphasize that although advertising regulations are often initiated and executed by government agencies, they can also be stimulated by consumers. Chinese consumers have learned to interpret advertising politically. Nike’s “Chamber of Fear” commercial failed because it raised strong negative responses. Whereas Chinese consumers may resent the lack of freedom in China, they do not simply subscribe to Western values (Klein, Ettensohn, and Morris 1998). Whereas Chinese consumers enjoy quality products, comfortable lifestyles, and luxuries brought by Western companies, they also hold a strong sense of national pride and are likely to respond negatively to ideological debase by the West. Today, with its economic revival, Chinese consumers are more eager to have their voices heard and to exert their collective forces.

**REFERENCES:**


EXTENDED ABSTRACT

We taught the world new ways to dream. (Christopher Hampton and Don Black, Sunset Boulevard).

The power of dreams. (Honda Motorcar Company, advertisement for the FCX car).

This study was conducted to see if hedonic/utilitarian verbal descriptions of a radical innovation (hydrogen fuel cell car) have a direct effect on willingness to try the innovation (WTT) and whether providing a color picture, in addition to the description, would enhance the effect of the nature of the description (hedonic/utilitarian) on WTT. Pictures in color have been seen to provide greater emotional motivation (Rossiter 1978). Consequently, if providing a color picture increases WTT then such evidence will give support to the argument that emotional elements can increase positive outcomes for new products. For instance, it is feasible that positive emotions such as optimism mediate the effect of hedonic/utilitarian descriptions of the innovation on willingness to try the innovation. And, I examine if this additional effect of a picture is accompanied by greater optimism or greater positive evaluation (rational utility of the innovation) engendered by the picture.

I base my overall expectations on the “how-do-I-feel-about-it” (HDIF) heuristic (Adaval 2001; Pham 1998; Schwarz 1990; Yeung and Wyer 2004). The HDIF heuristic proposes that, in the formation of evaluative judgments, consumers mentally form a pictorial representation of the object to be evaluated and then use such a representation to examine their feelings towards the object. These resultant feelings are then used as information in evaluating the object. Pham (1998) also found that consumers place greater reliance on their feelings as a heuristic for hedonic/consummatory situations than for utilitarian/instrumental situations. This reliance is based on consumers’ perceptions that feelings are more relevant for hedonic situations.

In the case of new products, however, a pictorial representation of the new product may not be mentally available to consumers during initial exposure to the innovation, i.e. while reading about it for the first time. Hence, making a picture of the innovation readily accessible to consumers should generate greater WTT than when a picture is not included in the description of the innovation. Moreover, in keeping with Pham (1998), this effect should be more prevalent for hedonic innovations than for utilitarian innovations.

I expect WTT to decrease when a picture accompanies a utilitarian description as opposed to the utilitarian description alone. Greater emotional reactions are likely to result from the picture and such reactions have usually been associated with impaired rational/utilitarian processing (Pham 1996; Sanbonmatsu and Kardes 1988). Rational information processing, in turn, has been associated with mainly verbal stimuli (Hirschman 1986). For a utilitarian description, consumers rely less on their feelings and more on their thoughts and rational information processing. However, the presence of a picture with a utilitarian description produces an emotional response, distracts from rational information processing and reduces the resultant WTT. In sum, the presence of a color picture increases feelings, which helps WTT for a hedonic description but hinders WTT for a utilitarian description, because the utilitarian description requires discursive (thoughtful) processing of information in the description.

In sum, there will be an interaction between description type and picture such that (a) for the hedonic description, WTT will be higher for the description with the picture than the description without the picture. (b) However, for the utilitarian description, WTT will be lower for the description with the picture than the description without the picture.

Using a 2 X 2 study design, I find a significant interaction as per the prediction above, even while controlling for individual level differences in verbal and visual processing styles (Childers, Houston, and Heckler 1985), optimism and positive evaluation. In order to test the mediational influence of optimism and positive evaluation on WTT, I tested a model (using AMOS) in which the categorical variables (description type and picture/no picture) and their interaction on WTT were expected to be routed through the mediating variables of optimism and positive evaluation. The results provide no evidence of mediation. None of the experimental conditions and/or their interaction were significantly (p<.05) related to the mediating variables, optimism and positive evaluation. Hence, there was no mediation, although optimism and positive evaluation were significantly (p<.05) positively related to WTT.

One reason for why positive emotion did not mediate the interaction may be that while emotion was present during the experiment, consumers did not rely on these feelings to arrive at a decision about the innovation. As Pham (1998) points out, when consumers do not consider their feelings to be representative of the target object, they may not rely on such feelings to arrive at a decision. Hence, if consumers perceived that the feelings were not elicited by the innovation itself, then they may not have relied on these feelings. We know from this study that emotion is produced on exposure to an innovation. Future research will have to investigate its genesis and function.

REFERENCES


Consumption relationship: normal - pathological continuum

Stefania Perduca, San Raffaele Vita - Salute University, Milan, Italy
Giovanni Siri, San Raffaele Vita - Salute University, Milan Italy

INTRODUCTION

There are three typologies of consumption related psychological disease: clinical literature describes them as impulsive buying, compulsive buying and shopping addiction (Moschis, 1989; Pani, Biocatii, 1998). Clinical psychology considers consumption psychopathology as a component of primary psychological or psychiatric disease (depression, obsessive compulsive disorder, addiction) and its aim is to identify new syndromes such as compulsive shopping (McElroy et al, 1994; Christensen et al., 1994, Lejoyeux, 1996); in clinical psychology, data derive from clinical interviews and from patients in psychotherapy. In contrast, consumption psychology considers deviant manifestations as the pathological side of consumption relationships, which reflect great social modifications: increased spending power, greater access to products, media expansions and the role of consumption as an emotional regulator. This discipline seeks socio-cultural factors and personal factors as explanation for a pathological relationship with consumption; consumption psychology accordingly collects data from interviews in shopping centres or shopping contexts (Faber et al., 1987; Kacen et al., 2002; Vohs et al., 2007). Consumption psychology research targets the relationship between people and consumption, which it describes as a continuum between normal and pathological (Dittmar, 2005a; Edwards, 1993). With Dittmar H. and Edwards E. as our starting points, we propose a research model that is based on the notion that personality and social factors are linked with consumer styles.

We investigate the relationship between self-perceived personality traits and consumption style. We argue that differences in personality self – descriptions (introverted – extroverted; controlled – uncontrolled) are related to differences in consumption style; we also agree that differences in materialistic values - materialistic people usually believe that the acquisition of goods is a condition for happiness (Richins, 1987; Dittmar, 2005b) - could determine specific consumption style.

Methodology

The questionnaire was administered to a convenience sample of 95 respondents. The sample was made up of college students at San Raffaele University – Milan (79,1%) and various respondents from the community (20,9%); 57,9% were female and 42,1% were male; mean age of the sample was 23,47 (8,70 standard deviation), mean age for women was 24,62 and for men 42,1%. The controlled stage is characterized by a controlled and conscious attitudes towards consumption and buying. Using phenomenological-structured analysis, we exclude secondary analysis from respondents answers and we identify two typologies: euphoric and controlled subjects. Items falling within “euphoria” category were self-perceived extraversion, curiosity, open-mindedness, originality; for the “control” category there were self-perceived thoughtfulness, responsibility, competence.

With regard to consumption attitudes, we selected items from the previously mentioned Materialistic Values Scale, Consumer Style Inventory and Compulsive Buying Scale. Using factorial analysis we identified 8 content groups:
- Recreation/Hedonistic
- Novelty, Fashion Conscious
- Habitual, Brand Loyal
- Perfection, Price Equals Quality
- Confidence, Price Conscious
- Value for Money, Confused by Overchoice
- Compulsive Buying Scale (Edwards, 1993): the higher the score on the full compulsive buying scale, the higher the individual’s compulsive buying tendencies. Alternatively, clients can be classified along a compulsive buying continuum that ranges from normal (non- compulsive) to recreational, borderline, compulsive and addicted spenders.

Analysis and preliminary findings

In the preliminary analysis, we explore correlations between two psychological dimensions embedded within self-description and conscious attitudes towards consumption and buying. Using phenomenological-structured analysis, we exclude secondary analysis from respondents answers and we identify two typologies: euphoric and controlled subjects. Items falling within “euphoria” category were self-perceived extraversion, curiosity, open-mindedness, originality; for the “control” category there were self-perceived thoughtfulness, responsibility, competence.

We found correlations between subjects typologies and consumption attitudes. Subjects who described themselves as “controlled” showed two contrasting stages of relationship with shopping:
- The controlled stage is characterized by a controlled and competent relationship, by attention and precision in choice and by a high level of reflections. Subjects are product-oriented and not shopping-oriented; their aim is to find a high quality product that reflect their competence. Consumption is important as a way of showing and maintaining a good social self- image, and hence of obtaining success and admiration from others. Shopping is not fun, and is sometimes rendered difficult by overchoice. Controlled shoppers are quite interested in fashion, as a way of maintaining a positive social image.

Subjects described as euphoric have a constant style of consumption. They are characterized by possession and a desire for possession, which they perceive as an exploratory and not as a materialistic - way of being. Subjects see possession as way of...
affecting other people and they envy people that can buy more. Sometimes they feel guilty after shopping, possibly because they perceive the buying in question as unnecessary. The aim is not to acquire the best products, but to shop in the best places (specialized shops, important brands); they have preferential brands, which they usually buy. Their difficulty is finding the best place for shopping, in contrast with the problem of overchoice for controlled people.

REFERENCES


Ambiguity Aversion and the Power of Established Brands
A. V. Muthukrishnan, HKUST, Hong Kong, SAR
Luc Wathieu, ESMT, Berlin, Germany
Alison Jing Xu, HKUST, Hong Kong SAR

An important finding in the literature on decision making under uncertainty is that people prefer gambles with known rather than unknown (ambiguous) probabilities of winning the same reward (Ellsberg 1961). For example, to bet on a color to win $100, people may prefer an urn that contains 30 red balls and 50 black balls over an urn that contains 100 balls in all that are red or black, the exact proportions unknown. This phenomenon known as ambiguity avoidance first suggested by Ellsberg has since been found to be robust (Becker and Brownson 1964; Slovic and Tversky 1974; Sarin and Weber 1993). Several conceptualizations (Einhorn and Hogarth 1985; Frisch and Baron 1988; see Camerer and Weber 1992 for a review) and several psychological antecedents of ambiguity (Curley, Yates, and Abrams; Fox and Tversky 1995; Heath and Tversky 1991; Trautmann, Viedier, and Wakker 2008) have been proposed. In this research, we offer two important extensions to the psychology of ambiguity aversion.

First, we examine the association between ambiguity aversion in lottery choices and the tendency to overweight brand names in marketing choices that involve a trade-off between brand name and other key attributes. Second, we identify the consequences of ambiguity aversion. Specifically, we investigate the extent to which ambiguity aversion in lottery choices carries over to marketing choices that involve trade-offs in terms of important attributes.

People use a variety of heuristics to avoid these trade-offs (Baron 2000). According to Montgomery (1983), in decisions that involve significant trade-offs, people look for a dominant reason in favor of one of the options in the choice set and, therefore, often focus on a single dimension. We examine choices that require trade-offs between brand names and performance related attributes. In these choices if people perceive ambiguity, they may focus on brand because, compared to other dimensions, brand name has greater potential to receive attention as people often have rich associations about brands. Thus, brand names will receive disproportionate weight in these choices if ambiguity is perceived. To illustrate brand choices that involve significant trade-offs, consider the following choice between two personal computers.

<table>
<thead>
<tr>
<th>OPTION A</th>
<th>OPTION B</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAND</td>
<td>Compaq</td>
</tr>
<tr>
<td>HARD DISK SPACE</td>
<td>60 GB</td>
</tr>
<tr>
<td>CPU</td>
<td>Pentium</td>
</tr>
<tr>
<td></td>
<td>4 – 2.60 GHz</td>
</tr>
<tr>
<td>PRICE</td>
<td>$400</td>
</tr>
</tbody>
</table>

When this choice was given to 120 consumers in a shopping mall, 49 (i.e., more than 40%) preferred Dell, the dominated but more established brand, and apparently gave excessive weight to the brand name. In a second pilot test, we offered this choice without price information (which might stimulate quality inferences). The proportion that chose Dell in this pilot test was even greater (47 out of 90; 52%). Pretests indicated that Compaq and Dell brands have the same level of familiarity and general perceived quality in the reference population. A key difference, however, was that in comparative judgments, the target group of consumers declared significantly higher confidence in their overall quality evaluation of Dell. We call those brands for which consumers hold the quality evaluations with greater confidence as “established brands.” In this choice, the trade-off involved is between an established brand name and the superior attributes of the other brand. One could say that the established brand is dominated in terms of the attributes for which information was presented. We investigate the effect of ambiguity aversion on preference for established brands when these are dominated in terms of key product attributes. Note that to control for a variety of other explanations, we use a conservative criterion for the established brand insomuch as the two brands do not differ in terms of familiarity and overall quality but only in terms of subjective knowledge and confidence in the quality judgment.

While the information provided in the above example is too impoverished, in the actual experiments we provided information on at least three non-price attributes and price. The established brand was always dominated by the other brand in terms of the non-price attributes. In some experiments, the prices of the two brands did not vary while in the other experiments, the established brand was priced 20-25% more than the other brand. Our experiments demonstrate a strong association between established brand preferences in product choices and ambiguity avoidance in gambles (experiments 1A and 1B). In addition, we find that the preference for established brands is stronger when preceded by salient but unrelated choices involving ambiguous gambles (experiments 2A, 2B, and 2C). Confirming the role of ambiguity aversion as a driver of brand equity, we also demonstrate that the psychological sources of ambiguity avoidance demonstrated in the decision making literature also contribute to preference for the established brands (experiment 3). A direct test of the ambiguity-reducing role of established brand names is offered in experiment 4.
EXTENDED ABSTRACT

Individual clothing choices reflect a person’s conception of social, gender, and religious identities and are means by which wearers situate themselves socially vis-a-vis established codes of behavior (Gibson 2000; LeBlanc, 2007). Muslim women’s clothing is a visible form of public consumption, and has been the subject of much debate within social science literatures (for example, Abu-Odeh, 1994; El-Guindi, 1999a, 1999b; Tarlo, 2005; Ruby, 2006, Gole, 1996, 2002). Modesty in clothing for both men and women is central to Islam. Based on Islamic teachings a woman for instance should be covered in a way that does not reveal her sexuality in public. She should wear clothes that cover the body (except face and hands) and which are loose and opaque, neither revealing what is underneath nor delineating sexually attractive parts of the body (al-Qaradawi 1995:79-87). Other public consumption proscriptions include: perfume, explicit make-up, tattoos, plastic surgery, and wigs or hairpieces (Al-Albani 1994).

The requirement for modesty in women clothing has been translated into different forms and styles of body and hair coverings in different countries and also varies from person to person. A large body of work has looked at the diverse meanings and connotations of the Muslim veil and the practice of hijab in Muslim countries where women decide whether to observe modest dress, including Egypt (e.g., El-Guindi, 1999a, 1999b), Turkey (Sandikci and Ger, 2001, 2005, 2007; Secor, 2002; Gole, 2002), Mali (Shultz, 2007), Cote D’Ivoire (leBlanc, 2000), Indonesia (Jones 2003), South India (Oseall and Osealla, 2007), and London (Tarlo, 2007a, 2007b). Other work has looked at women’s dress in Muslim countries where women are expected to conform to a black loose outer gown like the abaya or similar garments worn in Gulf countries, Iran (Baleasescu, 2003, 2007), and Yemen (Moors, 2007). However, the black abaya within oil-rich Gulf countries is embedded in a different contemporary local context and is increasingly associated with status and wealth (Abaza, 2007). As a result, it has different meanings and connotations from wearing the chador in Iran, the abaya in Yemen, and purdah in South India. In some Gulf countries like Qatar and Emirates, wearing the black abaya and shaayla and in some cases the burqa or face cover is not necessarily religiously motivated. It is in some cases a social requirement that women are expected to conform to in order to remain loyal to local customs and traditional culture; it is not a legal requirement like it is in Saudi Arabia. Such loyalty is equated with national pride and dignity. Men also are required to conform to a uniform traditional white dress, the thoub, and head covering, the ghutra, in public.

Studying women clothing practices in Qatar and Emirates (UAE) is particularly interesting because of the social and economic upheaval that these countries have been undergoing and the concomitant shifts in discourses of beauty, religion and modernity in the media, advertising and other forms of local commercial imagery. The gulf region has been known to be the most conservative part of the Arab/Muslim world where traditional Arab and Muslim values are strictly adhered to and where wearing traditional clothing by both men and women is seen as an essential requirement for cultural integrity and an affirmation of citizenship. However, petrodollar-fueled economic wealth and integration into the global economy have increasingly attracted foreign investment and Westerners to the region, leading to major social changes. In many of the GCC countries, like Qatar and Emirates, the leaderships’ desires for modernity and openness to the West has resulted in embracing more western values. This has caused some tensions and concerns that local values and national identities will be diluted and has lead to hot debates between those advocating modernity and those emphasizing the importance of preserving local culture. New clothing styles and adornment practices are increasingly adopted by young women in the region and reflect the conflicting forces of Western values that emphasize display of women’s beauty and sexuality in the public sphere and traditional values requiring modesty and promoting a virtuous public domain. This contrast is strikingly evident in shopping malls that house both abaya shops and Western style multinational clothing stores with gigantic posters of provocatively dressed Western women. The abaya itself has been gradually reinvented and has evolved from being a concealing garment that hides women’s sexuality and beauty in public to an embellished industry featuring local and European designers attempting to reinvent the traditional plain costume into a sophisticated and fashionable garment that denotes status and prestige and makes statements about women’s affinity for fashion and modernity, all supposedly without undermining the local look.

We seek to explore how women negotiate the conflicting tensions between their desire for fashion, elegance, display of beauty, and expression of individuality in the public sphere on one hand, and their desire to be loyal to local culture and observe proper Muslim dress on the other hand. We look at dress not only as clothing but as including all bodily adornment and beauty enhancement practices (e.g., shoes, purses, watches, jewelry, sunglasses, perfumes, make-up, henna, and cosmetic surgery) that form women’s looks in the public sphere. We use insights from in-depth interviews with twenty four Emirati and Qatari female students to ascertain the dynamics underlying these conflicting imperatives of modesty and vanity and to capture some of the ambivalence inherent in these performative constructions of female identity and conceptions of the self.

Preliminary findings reveal that young women resolve conflicting tensions between vanity and modesty on one hand and traditional and modern on the other, through syncreticism rather than forced choice. Thus, many choose a traditional black abaya covered with expensive Swarokski jewels. The abaya that many young women choose is also more colorful, form-revealing and reveals sexuality. This has created a thriving abaya fashion industry featuring local and European designers attempting to reinvent the traditional plain costume into a sophisticated and fashionable garment that denotes status and prestige and makes statements about women’s affinity for fashion and modernity, all supposedly without undermining the local look.

We seek to explore how women negotiate the conflicting tensions between their desire for fashion, elegance, display of beauty, and expression of individuality in the public sphere on one hand, and their desire to be loyal to local culture and observe proper Muslim dress on the other hand. We look at dress not only as clothing but as including all bodily adornment and beauty enhancement practices (e.g., shoes, purses, watches, jewelry, sunglasses, perfumes, make-up, henna, and cosmetic surgery) that form women’s looks in the public sphere. We use insights from in-depth interviews with twenty four Emirati and Qatari female students to ascertain the dynamics underlying these conflicting imperatives of modesty and vanity and to capture some of the ambivalence inherent in these performative constructions of female identity and conceptions of the self.

Preliminary findings reveal that young women resolve conflicting tensions between vanity and modesty on one hand and traditional and modern on the other, through syncreticism rather than forced choice. Thus, many choose a traditional black abaya covered with expensive Swarovski jewels. The abaya that many young women choose is also more colorful, form-revealing and gives more hints of the outfits they wear beneath. The shaayla is also worn sophistically high and exposes some of the hair. The traditional garment is increasingly assuming a modern fashionable appearance accessorized with jewelry, designer handbags and high heel shoes, huge and catchy sunglasses. The look is complemented with flawless make up, nails and strenuous perfumes. The abaya that used to be a unifying garment that expresses women collective religious and cultural identity has evolved into a singularly self-identifying look that is expressive...
REFERENCES

1 The black abaya is a long black loose outer garment worn by women in most gulf countries. It is intended to hide the curves of their bodies, while the shayla is a black head cloth used to cover their hair. The abaya is made of two layers of thin material to make sure it is not transparent. Some women also cover their faces with a black veil – niqab- although there is wide agreement amongst Muslim scholars that this is not a religious requirement for physical modesty in Islam but more of a norm for women in some social circles.
Would Kiranas in Urban India Survive the Modern Trade Onslaught?
Insight from Efficiency Perspective
Paromita Goswami, Xavier Institute of Management Bhubaneswar, India

EXTENDED ABSTRACT

Conceptualization

It is a matter of debate as to whether Indian Kirana stores would be able to survive in the face of competition from organized modern trade grocery retailers. Although traditional retail currently constitutes over 95 per cent of the total sales in the country, smaller kiranas that are unable to compete with new age retailers in terms of variety and scale have begun losing volume in several parts of the country (Vijayaraghavan and Ramsurya, 2007). Internationally, while some studies suggest that large scale retailers like Wal-Mart are responsible for widespread closings of mom & pop stores (Wal-Mart Watch, 2005; Basker, 2005) and question whether cost to communities in terms of labor displacements and higher poverty is offset against benefits of lower prices and greater convenience (Goetz and Swaminathan, 2006), other studies suggest that the process of creative destruction unleashed by Wal-Mart has had no statistically significant long-run impact on the overall size and profitability of the small business sector in the United States (Sobel and Dean, 2006). In India modern trade or organized retail already account for 30 to 40 per cent of grocery sales in the top 6-7 cities of the country (Kakkar, 2008). The Prime Minister’s Office (PMO) of India has initiated a study on the impact of retail giants on small retailers and this move has been welcomed by the Confederation of All India Traders (CAIT).

As pointed out by Sanghavi (2007), so far retailers, who focused on developing only supply-side efficiencies in terms of reaching retail productivity targets, need to think about demand-side efficiencies in terms of satisfaction of customers’ needs in order to optimize business performance. It is important to identify efficient levels of the various dimensions of satisfaction of customers’ needs that directly link to measures of specific firm outputs that firms intend to maximize in addition to supply side efficiencies (Blose et al, 2005). In this paper we shall use two separate Data Envelopment Analyses (DEAs); one DEA using CCR method to examine the demand-side efficiency in terms of dimensions of satisfaction of customers’ needs (henceforth referred to as Customer DEA); and another DEA using both CCR and BCC method (following Barros, 2006) to examine supply side efficiency in terms of retail productivity scores (henceforth called Retailer DEA). We have attempted to deduce the chances of survival of Kiranas by examining the two DEAs. The logic of using separate DEA is that even if an outlet is efficient on retailer productivity scores, if it is inefficient on consumer variables, it is bound to become inefficient on retailer productivity scores in the long-term. Thus, DEA on consumer variables may act as a diagnostic tool before it is too late and affects the efficiency of the outlet on retailer productivity scores as well.

Method

In order to capture the demand-side efficiency, a consumer study was designed and to judge the supply-side efficiency, a study was done on the grocery retail outlet that the respondents of the consumer study patronized. The study was carried across four Indian cities- two major metros (Kolkata and Mumbai), and two smaller cities (Jamshedpur and Nagpur) with around 100 respondents from each city. Four grocery formats relevant for India are kirana and upgraded kirana stores, supermarkets and hypermarkets. From each city 25 customers of each of the four grocery formats were interviewed. Stratified systematic sampling design was followed. The strata were the four formats of grocery stores. To maintain the systematic design of the sample, every fifth customer leaving the store was intercepted and interviewed with a structured questionnaire. The questionnaire had a set of statements on customer perception of grocery store attributes which had been used previously with tested validity and reliability (Goswami and Mishra, 2007). The retailer questionnaire was administered to the outlet manager and after rejecting incomplete questionnaires and accounting for non-responses we were left with 11 retail outlets (1 hypermarket, 3 supermarkets, 2 upgraded kiranas and 5 kiranas) and a consumer sample size of 237. The Customer DEA was run on customer variables of cleanliness, offers, quality; helpful and trustworthy salespeople; in-store convenience, location; travel convenience; home shopping; store brands, family grocery shopping, parking facilities as inputs and customer patronage in terms of percentage of grocery shopping as output; and the Retailer DEA was run on retailer variables of store hours per week, number of full-time employees, selling area, average weekly sale, average customer transaction per week as inputs and gross profit, sales per square foot as outputs.

Major Findings

The Customer DEA revealed that of the 11 outlets, 1 supermarket, 1 upgraded kirana and 2 kiranas were efficient. The Retailer DEA revealed that with the exception of 1 supermarket and 1 kirana (this kirana was efficient on customer variables), the rest of the outlets were efficient. The results suggest that while 9 stores (out of 11) had efficient retail DEA scores, they had inefficient customer DEA scores, thus implying that corrective action needs to be taken for these stores for improving demand-side efficiencies, or else they might ultimately become inefficient in retailer scores in future. The store which has inefficient retailer score but efficient customer score needs to specifically look into reasons and take corrective measures as suggested by the DEA. The stores which have Customer DEA Scores of less than one should examine their operating procedures in identified areas, such as cleanliness, offers, quality; helpful and trustworthy salespeople; in-store convenience, location; travel convenience; home shopping; store brands, family grocery shopping, parking facilities as inputs and customer patronage in terms of percentage of grocery shopping as output; and the Retailer DEA was run on retailer variables of store hours per week, number of full-time employees, selling area, average weekly sale, average customer transaction per week as inputs and gross profit, sales per square foot as outputs. Obviously no store would wish to purposely reduce the perceived levels of customer perception inputs, the adjustments prescribed by the DEA model serve as ordinal indicators of inefficiencies ripe for change (Blose et al, 2005).

We found 1 out of 3 supermarkets (0.33), 1 out of 2 upgraded kiranas (0.5), and 1 out of 5 kiranas (0.2) to be efficient. Upgraded Kiranas, in terms of probability suggested by this study, has maximum chances of survival (this may be attributed to modern trade-like ambience as well as greater customer insight); followed by supermarkets and lastly Kiranas. The results suggest kiranas would do best to try and upgrade in order to survive. Given that modern trade outlets have deeper pockets and can afford to make mistakes and get away with it in the short term, kiranas have to stay alert, try to upgrade and continue to serve customers well, while concentrating on innovating, evolving and remaining efficient on retailer productivity scores.
BIBLIOGRAPHY


EXTENDED ABSTRACT

Trust is a key feature of any relationship and research on “trust” has significant implications for marketing theory and practice. It can help marketing discipline adopt the relationship-marketing paradigm to understand customers and apply relationship perspective in managing customers, in practice. Further, trust research can contribute to theoretical advances in related research domains in marketing by (i) addressing the inadequacies in customer satisfaction tool (ii) offering insights into understanding and measuring attitudinal loyalty (iii) identifying the antecedents of brand equity and (iv) furthering research in integrated marketing communications.

Although trust as a concept/construct has received increased attention in the last two decades in marketing discipline, research on trust in customer relationship suffers from two major limitations; (i) It has not led to the integration of knowledge / understanding gained across different studies and (ii) It has few implications to practice. The objective of this article is to unearth the underlying causes for this state of affairs and suggest possible ways to address them.

An in-depth and integrative review of the trust studies\(^1\) revealed that lack of consensus in conceptualization, operationalization and modeling of trust are impeding the advancement of trust research (Gounaris and Venetis 2002). The article offers directions for modeling trust in customer relationships for addressing the impediments in trust research by drawing insights from trust research in the disciplines of economics, psychology and sociology. The review of “trust studies” and directions for trust research organized around five themes is explained below.

(i) Conceptualization of Trust

Trust has been conceptualized as belief, expectation, intention and behaviour across trust studies\(^1\). Further, trust has been defined both as belief and behavioral intention; belief and expectation as belief, sentiment, and expectation; and as expectation and behaviour in other studies. There is also a need to delineate trust from the related constructs of confidence, predictability and security (Blois 1999). The lack of consensus in trust makes it difficult to compare findings across different studies and to improve our understanding of the construct for modeling customer relationships. This is a key impediment to knowledge accumulation in the area. Trust is a psychological state of having positive expectations and intentions and behavioural outcomes (like loyalty behaviour) are consequences of trust. Bhattacharya et al. (1998, 462) defines trust as expectancy: “Trust is an expectancy of positive outcomes (or non-negative) outcomes that one can receive based on the expected action of another party in an interaction characterized by uncertainty.” The definition of trust as expectancy can separate trust from its related concepts as well as the antecedents and consequences of trust. The article makes a call to adopt the “expectancy conceptualization” of trust as it separates trust from its antecedents and consequences.

(ii) Treatment of trust and trustworthiness

The conceptualization of trust in relationship marketing tends to measure trustworthiness rather than trust, the exception being studies by Smith and Barclay 1997 and Sirdeshmukh et al. 2002. While trust is a feature of the relationship, trustworthiness is a characteristic of the trustee. The differentiation of trust and trustworthiness can facilitate research in identifying antecedents of trust in different contexts. This can make trust research relevant to practice.

(iii) Entities in the relationship and trust facets

While majority of the reviewed trust studies model only one facet of trust, a few studies have also considered trust in two facets. Recent studies in the consumer goods context have considered trust in brands, but they have not explicitly considered trust in the corporate brand or trust in the customer interface. There are three entities in a customer relationship: viz. the firm, which provides the product/service (corporate brand), the product/service (product brand), and the company / service provider personnel (customer interface) who interacts with the customer. Future studies should explicitly recognize and/or model the effects of corporate brand trust, product brand trust and customer interface trust in customer relationship.

(iv) Dimensions of trust and trustworthiness used

The review of trust studies reveals that majority of the studies have incorporated the generic trustworthiness dimensions of ability, benevolence, and integrity (Mayet et al. 1995; McKnight et al. 2002) in the model in at least one of the three stages: (i) in defining trust (ii) in the items used in operationalizing trust or (iii) in the items used for operationalizing antecedents of trust. Further, many trust studies, which do not explicitly consider the three generic dimensions of trust in conceptualization or in the measurement stage have implicitly captured them in the other antecedents of relationship outcomes included in the relationship model. This makes a strong case to consider the three generic trustworthiness dimensions in future trust studies and to use them as a starting point for conceptualizing and operationalizing trust.

(v) Antecedents of trust

Although there is consensus in the nature and significance of the trust in modeling relationships across studies, different sets of antecedents to trust and relationship consequences are considered in trust studies. The use of different theoretical frameworks in modelling relationship explains the use of different sets of antecedents. Musgrave and Aniss 1996 have identified the four dimensions of relationship: operations, control, structure, and emotion. Modeling the antecedents and consequences of trust in a relationship requires that the factors affecting the operations, control, and structure of the relationship be recognized while modeling relationships.

---

1 “Trust studies” refers to empirical studies in relationship marketing that employ “trust” to model customer relationships.
The trust construct can be separated from its antecedents and consequences by conceptualizing it as an expectancy of positive outcomes and the recognizing trustworthiness evaluation as a distinct construct. The use of generic dimensions of trustworthiness is expected to enable knowledge integration and cumulation across different studies. Modeling the three trust facets separating trust and trustworthiness constructs has the potential to make trust research more relevant to practice. Explicit attention to the four dimensions of a relationship viz. structure, control, interactions and emotion can help in identifying the key antecedents in modeling customer relationships. These suggestions to address the five conceptualization and modeling issues are expected to facilitate knowledge cumulation and integration of trust studies, and make trust research more relevant to practice.

REFERENCES

1 “Trust studies” refers to empirical studies in relationship marketing that employ “trust” to model customer relationships.
2 “Studies” are not cited due to space constraints.


Keller, Kevin Lane (2001), Building Customer-Based Brand Equity” Marketing Management, 10 (July/August)14–19.


Increasing Effectiveness of Charitable Mail Solicitations Using Negative Emotions
Vivek H. Patil, School of Business Administration, Gonzaga University
Surendra N. Singh, School of Business, University of Kansas
Sanjay Mishra, School of Business, University of Kansas

EXTENDED ABSTRACT

Purpose
In 2006, U.S. households received over 700 million mail requests for donations and donated over $295 billion (Giving USA 2007; Household Dairy Study 2006). As a result of the ever increasing needs for funds for charities, not only in the US but across globe, there is a need to increase the effectiveness of mail appeals from charities. Since the use of emotions in appeals for mail solicitations is common, we explore how two frequently used negative emotions, guilt and empathy (Batson 1991; Coulter and Pinto 1995) can increase the effectiveness of mail appeals. Specifically, we attempt to answer two key questions. First, what motivates people to donate when they are exposed to guilt or empathy inducing appeals? Second, are the two emotions approaches for all solicitations, independent of the involvement of the potential donor, with the charity?

Theoretical Background
Appraisals theories (e.g., Lazarus 1991) suggest that emotions are motivational responses to appraisals of environmental stimuli, which lead to behaviors deemed suitable to cope with these stimuli (Brehm 1999). Guilt has been defined as a negative, moral, and self-referential emotion, which involves an internal attribution about a negative outcome of a particular task (Tangney and Dearing 2002). Empathy involves the ability to take the perspective of others, such that generated feelings are focused on others and not on self (Batson 1991). In the context of nonprofit mail solicitations inducing empathy, since the state of a beneficiary is negative (for example, a disabled person in need of assistance), we classify empathy as a negative emotion (Lazarus 1991). Based on past literature (e.g., Aaker and Williams 1998), we also assume empathy, sympathy, pity, and compassion to be similar emotions.

Motives for helping have been classified as being egoistic and altruistic (e.g., Batson 2002). These differ with respect to the ultimate objective of the act of helping. Egoistic motives are geared towards enhancing the welfare of self by either seeking rewards, or avoiding punishment, or reducing distress. An altruistic motive, in contrast, has the welfare of the needy as the ultimate goal. Since motives for helping are unobservable, researchers have inferred those using different variables such as the viability of escape from helping (Batson 1991). This suggests that an individual with an egoistic motive will help only when escape from helping is difficult because s/he would weigh the costs and/or benefits of helping. In contrast, an altruistically motivated individual will help even when escape from helping is easy.

Guilt induction leads to a self or socially imposed censure and in order to cope with it, people are likely to behave in one of three different ways: (a) try to help; (b) know if others have helped and if help has indeed been provided, relieve their guilt because their help is no longer needed; (c) psychologically escape from the need situation (Batson 1991; Lazarus 1991; Tangney and Dearing 2002). As guilt focuses one’s attention on one’s own state, any helping that occurs is likely to be because of an egoistic motive. Research on guilt also suggests that the capacity to experience guilt declines as the emotional distance between individuals increases (Baumeister et al. 1995). As a result, guilt is more likely to be successful in eliciting helping behavior for a high involvement charity. When low involvement charities induce guilt, people would infer such appeals to be manipulative and respond negatively to them (Friestad and Wright 1994). This would lead to reduced helping, which would be further reduced when escape from helping is made difficult.

Since empathy-inducing appeals focus one’s attention on the plight of the needy, any help that is generated is likely to be because of an altruistic motive as long as the need to help is perceived. This has been extensively supported in the social psychology literature as the empathy-altruism hypothesis (see Batson 1991 for reviews). Consequently, we do not expect any effect of involvement on the effect of empathy on helping.

Studies Conducted
We test our predictions using two studies. Study 1 test the effect of the two emotions (empathy and guilt) and ease of escape from helping on helping intention and perception of manipulativeness in the low involvement condition. A more comprehensive second study was conducted to test the effect of emotion, ease of escape, and involvement on helping intention, perception of manipulativeness, attitude towards the appeal, future donation-intention, and attitude towards the charity.

Results
In both studies, guilt gave rise to an egoistic motivation to avoid the punishment associated with it, and in order to do so, people helped when escape from helping was difficult. This occurred when the involvement with the charity was high because the sense of obligation or the feeling of responsibility was more prominent in a high involvement charity than it was for a low involvement charity. Participants found it reasonable for a high involvement charity to make escape from helping difficult, but reacted negatively when a low involvement charity made escape from helping difficult. Such acts from low involvement charities increased the perception of manipulativeness and lowered the intention to help, the attitude towards the appeal, and the intention to donate in the future.

The findings for an empathy-inducing appeal, however, were contrary to expectations. In both studies, we found helping to be higher when the escape from helping was difficult, suggesting that an altruistic motive to help was probably not operating. We contend that this is so because if it is difficult to apply the definition of empathy used in the empathy-altruism hypothesis, which assumes that the feelings generated by the emotion are focused exclusively on the needy, in the context of a phenomenon as familiar as non-profit mail solicitations. Familiarity with the phenomenon may have lead to a critical evaluation of the request for donation (e.g., Friestad and Wright 1994), directing generated feelings and thoughts on to self. As a result, an altruistic motive to help is not evoked and any help rendered would be because of an egoistic motive.

Contributions
Besides theoretical contributions to the surging interest in the literature on differentiated emotions, our findings provide theory-based actionable strategies for charities. We find that when empathy-based mail appeals are used, making escape from helping difficult leads to increased helping. This is applicable for low involvement as well as high involvement charities. When guilt-
based appeals are used, high involvement charities benefit by making escape from helping difficult, but low involvement charities are better-off keeping escape from helping easy.

REFERENCES


Giving USA (2006), A Publication of Giving USA Foundation, Researched and Written by the Center on Philanthropy at Indiana University.


The Commodification of Culture: An Analysis of the Samoan Handicrafts Market
Jessica Lucas, Austin College, USA

At a crossroads of tradition and modernity, Samoa provides a unique model for the study of authenticity in handicraft consumption. Prior to the introduction of commercialization, Samoan artisans produced handicrafts for communal utilitarian use. An evolving social and market system has since forced these crafts to undergo significant modification. Through ethnographic and qualitative research, vendor and consumer perceptions of authenticity and involvement in the conceptualization of Samoan handicraft products are gauged. Analysis advances previously established frameworks for perceived authenticity by addressing the incorporation of innovative materials into traditional Samoan handicrafts and the reclamation of “tourist products” for “authentic” use by Samoans.

Background
Marx’s idea of “primitive communities,” where the concepts of private property and commodity exchange were non-existent, accurately describes Samoa’s history. As Marx suggested, without market exchange, material objects were fully utilized by producers for a fixed purpose. While the original source of commoditization in Samoa can be linked to the commercial pursuits of missionaries and traders in the 1850’s, the influences of the tourism industry and growing Samoan expatriate community as contemporary sources of commercial motivation are undeniable.

The introduction of industrial goods and tourist consumer preferences forced a change in the traditional arts of Samoa. In a process similar to that described by Cohen (1988), an attempt to revive these arts was made through the process of commercialization; modifications in the type and design of handicrafts were completed to match tourist consumer desires. However, unlike the commercialization of ethnic crafts in other areas, Samoan handicrafts are not created solely to please the tourist aesthetic. Neither the Samoan consumer nor the traditional utilitarian spirit of the arts is forgotten in contemporary product realizations. Producers employ traditional weaving methods and natural Samoan materials, along with imported materials (plastics, paints, and other goods) to create innovative products. According to a producer informant, these products are created to capitalize on local consumer demands for utility and tourist consumer demands for “island style”.

The dual influences of tourists and local consumers are highly evident in the manufacture of Samoan handicraft products. If, as in Samoa, both local and tourist consumer desires shape the market for handicrafts, who, then determines the authenticity and type or design of products? The purpose of this study was two-fold: to investigate authenticity in relation to Samoan handicrafts as perceived by consumers; and to analyze perceptions of consumer involvement in the conceptualization of handicraft products.

Methodology
Initial contact and introduction in Samoa were established in March 2008. Preliminary screening interviews to understand the history and structure of the market, as well as the groups influencing craft production, were conducted in the markets at Fugalei and Savalalo at this time. The target population was identified using information obtained during observations and interviews in the markets and stores selling handicrafts in Apia, Samoa. The sample was defined to include consumers who consider authenticity in the purchase of Samoan handicrafts. A purposive sample was used because of the necessity of unique knowledge held by the population concerning the consumption of Samoan handicrafts. A nonprobability sampling method was selected so that data consistent with research objectives could be collected from as many members of the target population as possible.

Intensive fieldwork was conducted for 8 weeks from April to May 2008 including market observations; home and village observations; in-depth interviews; and surveying of consumers and vendors to obtain information about the perceptions of authenticity of Samoan handicrafts. The survey and interview questions focused on perceptions of authenticity related to content categories for the analysis of authenticity of crafts previously defined by Littrell, Anderson, and Brown (1993). The perceived importance of handicraft uniqueness and originality, workmanship, use and function, cultural or historical significance, craftsperson identity, and materials were gauged (from not important to very important on a five-point Likert-type scale).

Interviews were conducted in both English and Samoan; surveys were bilingual, and respondents were urged to answer in the language in which they felt most competent. Although the interviews were informal in nature, common questions were asked in the course of the conversations. The open-ended format of the interviews allowed informants to more fully discuss aspects of authenticity which they deemed important. This format, combined with the closed questions of the survey instrument, allowed for the collection of parallel sets of data from all respondents. At the conclusion of the fieldwork, responses were analyzed using content analysis and descriptive statistics.

Findings
Preliminary analysis advances Grayson and Martinez’s (2004) framework for indexical and iconic measures of authenticity. While originally developed to describe a tourist population, this framework can also be applied to local consumers of culture. When determining the authenticity of Samoan handicrafts, the overall target population placed highest importance on indexical sources of authenticity (having physical ties to local producers and local materials). They perceived highest importance in the indexical categories of manufacturer (“made by someone living in Samoa”) and materials (“constructed of materials from Samoa”). Compared to the tourist consumer sample, the local Samoan sample perceived higher importance in iconic categories of authenticity (having perceived ties to pre-established conceptions of a culture). For local consumer informants, goods displaying iconic authenticity allow for the assertion of “Samoan identity”. According to a local informant “buying Samoan handicrafts supports [Samoan producers], who keep the traditional culture and preserve fa’a Samoa”.

Along these lines, a significant phenomenon is presented where “tourist products” are reclaimed by local consumers and Samoan expatriates. These items, such as miniature kava bowls and small accessories (earrings, bracelets), are preferred by tourists because, according to a vendor informant, “they are easy to transport” and fulfill consumer desires for indexical authenticity. “Tourist products” are beginning to breach the dual market system (where non-Samoaos demand mainly “tourist products” and Samoans demand mainly “traditional products” with little crossover) as locals purchase them for utilitarian purposes and Samoan expatriates demand easily transportable identity merchandise.

Analysis of the perceptions of consumer involvement in the conceptualization of handicraft products was conducted on two keystone concepts: who most strongly determines authenticity;
and who determines the type and design of Samoan handicrafts. Respondents primarily identified producers as the party most strongly influencing overall authenticity of Samoan handicrafts. They named themselves as the key determinants of the type and design of Samoan handicrafts, but recognized that availability of market offerings is determined by vendors, who relate consumer preferences to producers. These perceptions help to explain how Samoan handicrafts have developed from purely non-commoditized artisinal products to commercial consumer objects. The research supports a model for product commodification and innovation primarily as a result of Samoan expatriates, who have the ability to move between and influence both the traditional and tourist goods markets.

Works Cited
INTRODUCTION AND BACKGROUND

Indian firms from the Information Technology (IT) sector have achieved a global reputation for delivering quality services at competitive costs. India is now a provider of all or any one of these services to 80 percent of the world’s largest 500 firms and many like Infosys’s Progeon division are moving into higher value-added activities (Henley 2007). Research on the role of entrepreneurship and innovation in SME’s in the Indian software industry revealed that IT firms in the initial stages of their technology life cycle were content to work in IT or ITES for overseas large clients, but not kick start and develop their own product solutions (Ojha 2005). However, as they have grown in confidence and stature, they have become risk takers and invested in licenses (Siddharthan & Nollen, 2004) to import technologies, to move into radical innovations. The phenomenal success of the IT industry in India is due to many reasons (Cox, 2007) and this paper proposes that one of the underlying causes for success relates to the market orientation (MO) and relationship marketing orientation (RMO) of the firms and their entrepreneurial founders resulting into the ability to deliver superior customer value. Consequently, this paper presents a conceptual framework based on an extant review of literature.

CONCEPTUAL FRAMEWORK

We present a conceptual framework consisting of propositions to explain the factors responsible for the Small and Medium Scale Indian IT Entrepreneur’s ability to deliver superior customer value and its consequence. Framework is integrative in nature and has been created by integrating the work done by various researchers. These include Han, Kim & Srivastava’s (1998) mediating role of innovation on market orientation and organisational performance; Nakata & Sivakumar’s (2001) conceptualisation on the role of National culture in the process of adoption of the marketing concept; Sin, Tse, Yau, Chow and Lee’s (2005) conceptual framework on MO, RMO and business performance; studies exploring the relationship between MO, customer value and superior performance leading to competitive advantage (Parasuraman, 1997; Slater & Narver, 1994, & 2000a); and Zyl & Mathur-Helm’s (2007) model of the combined effects of entrepreneurial leadership, MO and RMO on business performance.

Research Propositions

Entrepreneurship is positively related to organisational success and has been empirically illustrated. The entrepreneur’s disposition as a proactive personality, leading to innovation and business success is also established (Kickul & Gundry, 2002). The universal high performance model used by Deshpande and Farley (1999), examined if Indian companies performance (random sample from listed firms on the Bombay stock exchange) related positively to an entrepreneurial culture, innovativeness and to market orientation (MO). A multidimensional approach to culture using Hofstede’s cultural factors (1980) by Dwyer, Mesak and Hsu (2005), determined a positive relationship between collectivism and low uncertainty avoidance to quicker diffusion rates of technological innovations across cultures. This is further supported by Agarwal, Eramilli & Dev (2003) who found a positive association between innovation, market orientation and business performance. On the basis of these studies and the fact that the Indian IT sector maintained an average growth rate of 48% from 1991 to 2005 (Jain & Aggarwal, 2007) and now contributes NZ $75 billion and 5.5% to the GDP, we contend that

P 1. Indian IT entrepreneurs are proactive, risk taking, and innovative entrepreneurs and that it is their collectivist culture that facilitates business success.

P 2. Indian IT entrepreneurs due to their collectivist Indian National culture are also relationship marketing oriented.

Market orientation also has a positive effect on business profitability (Slater & Narver, 2000b) and is a necessary culture to create superior customer value (Slater & Narver, 1994), which in turn is a basis for competitive advantage (Woodruf, 1997). Additionally, if firms are relationship marketing oriented (RMO), it leads to business success (Sin et al., 2005).

The construct of market orientation is shown to have behavioural components of being customer and competition oriented and the existence of inter-functional coordination within the firm (Narver & Slater, 1990). Further research confirmed that MO and business profitability are positively related (Slater & Narver, 2000b).

Therefore, we believe that

P 3. Indian IT entrepreneurs are market oriented, and thus are able to create customer value that results in competitive advantage.

P 4. Indian IT entrepreneurs create superior customer value that results in competitive advantage and business success.

DISCUSSION

The proposed framework suggests that the antecedents of entrepreneurial traits, national culture and strategic orientation of MO and RMO with their components, are related to creation of customer value and subsequent business success as defined in financial and marketing terms.

This research and testing of the propositions would add value to the understanding of the reasons for success of Indian IT firms and their entrepreneurial founders. In the developed world from where most of the clients are sourced, there is a common theme propounded in the media that the Indian IT sector owes much of its success to cheap labour. However, an extant literature review and further analysis of the IT sector in India would in our view confirm the positive relationship between the customer-centric strategic orientation of Indian IT Entrepreneurs and their firm’s performance due to value creation.

REFERENCES


EXTENDED ABSTRACT

Temptation is typically seen as costly. Fearful of the consequences of succumbing to it, consumers often limit their own access to tempting vices through precommitment and self-rationing. Thus, smokers often choose to buy single packs instead of volume-discounted cartons of cigarettes to limit their availability. Yet temptation can also confer benefits. Even though consumers have to expend willpower to resist temptation, they can feel good about themselves when they resist successfully.

We explore the interplay of the costs of succumbing to, and the benefits of resisting, temptation when choosing from choice sets that contain both vices (e.g., eating hamburgers, surfing the web) and not-so-tempting virtues (e.g., eating broccoli, reading this paper). We refer to these sets as mixed opportunity sets. Our main contribution is to demonstrate that the composition of the opportunity set can entail temptation benefits or temptation costs that enhance or reduce the utility of the chosen option. Consider, for instance, a consumer who is choosing between less healthy but tasty items (i.e., relative vices, e.g., candy bars) and less tasty but healthy items (i.e., relative virtues, e.g., apples). We propose that, if she succumbs to the temptation and chooses a candy bar from this mixed opportunity set, her utility will be less than if she chooses the same candy bar from a homogeneous opportunity set that includes only tasty, less healthy snacks. Conversely, we propose that if she resists the temptation and chooses an apple from this mixed opportunity set, her utility will be greater than if she chooses the same apple from a homogeneous opportunity set that includes only less tasty, healthy snacks. This example illustrates that the costs of succumbing to temptation and the benefits of resisting temptation depend on the opportunities provided by the other options in the set, which either reduce or enhance the utility of the chosen option.

Our theoretical framework relies on the notion of self-signaling and the related notion of how inferences from choices shape beliefs about self-identity. Consumers make choices that generate evidence that they possess certain desirable traits or preferences, even though the choices themselves have no causal effect on the underlying characteristics. We propose that the utility of self-signaling from choosing depends not only on what is chosen but also on the non-chosen items in the opportunity set. We show across a series of five experiments that this is because the temptation emanating from the non-chosen options communicates positive or negative self-signals that affect the utility associated with the chosen item. We also show that these self-signaling costs and benefits of temptation not only affect the utility consumers derive from the chosen option but also prospectively affect consumer preferences among opportunity sets themselves. For example, consumers will prefer to choose a virtue from a mixed set that contains both virtues and vices rather than from a homogeneous set that contains only virtues because choosing a virtue from a mixed set provides a positive self-signal from resisting temptation.
The Incidence of Scanner Fraud at the Grocery Checkout: Does Anyone Care?
Paul Pickering, AUT School of Business, Auckland University of Technology (AUT)
Sanjaya S. Gaur, AUT School of Business, Auckland University of Technology (AUT)

CONCEPTUAL BACKGROUND
The introduction of barcode scanner technology in the 1970’s has ultimately resulted in a radical transformation of the retail sector, particularly in areas of checkout processing and inventory management. Observed effects include an improvement in checkout productivity, elimination of the need for item pricing, fewer employees, auto stock ordering, better shelf planning, and smoother stock flows (Clodfelter 2004). Of particular importance is a reduction in error rate from 12% - typical of the of the manual “ringing up” method (Harwell 1965) to around 4% (Garland 1992). Whilst there has been disagreement as to the level of pricing accuracy achieved through scanner technology, this has largely been due to the different retail contexts and geographical areas under investigation (e.g., Clodfelter 1997; Garland 1992; Goodstein 1994). There has also been debate as to whether the retailer or the consumer is the beneficiary of error (e.g., Goodstein and Escalas 1994) although overall there is more evidence of the latter being short changed.

Not surprisingly, consumers have coined the phrase “scanner fraud”, calling for greater retailer transparency, accountability, and the implementation of compulsory auditing processes. In this regard, most attention has been on the grocery sector given the outset, and out of all industries, possessed the widest consumer regard, most attention has been on the grocery sector given the millennium being identified as one of the major research agenda for marketers (Grewal and Compeau 1999). Furthermore, this call was made not just with a view to perpetuating measurements of the incidence of error, but to investigate its implications on consumer complaint behaviour (CCB) (Crie 2003) and loyalty. It is on this basis together with the comment that “scanner error is really now a dead issue” (Pers-Comm, Garland 2008) that the present study takes its impetus.

Given that the implications of scanner error on CCB remain relatively unexplored, the objectives of this study were justifiably “boundary spanning”, with a qualitative approach to data collection being indicated in the initial descriptive stages (Eisenhardt 1989). These included to, a) observe the incidence of scanner error, b) to categorise the various consumer responses to error when it was made, and c) to assess the ultimate impacts of continued error on store loyalty. It is important to note that given the limited data collection in this initial stage means that conclusions are qualitative in nature and subject to verification during the second stage.

METHOD
The supermarket checkout was chosen as the research context because of its consistency with previous research and its universal applicability to the widest range of consumers. A leading supermarket franchise store in Auckland, New Zealand was the target of an intercept survey. Being the only supermarket on an isolated peninsula, it serves a population of around 40,000 people. This was a purposely chosen scenario in that a change in store loyalty due to error would indeed be a serious decision due to the significant implications on consumer resources travelling to an alternative would have.

An intercept survey using a semi-structured questionnaire was conducted. An attempt was made to purposely select respondents (Patton 2002) so as to gain as wide a consumer profile as possible, the range including young budget conscious students, middle-aged professionals, and retirees. As the aim of the initial research stage was to collect rich, descriptive responses (Yin 1994), only 25 interviews were sought, and these ranged in duration from ten minutes to half an hour. Verbatim responses were recorded for subsequent thematic identification and pattern matching analytical procedures (Eisenhardt 1989).

MAJOR FINDINGS
Descriptives – The following summary statistics are included merely to indicate the sample profile not to infer any degree of statistical significance. Respondents were 70% female and aged between 21 and 72 years (with an average age of 37). Three quarters had a total household income in excess of NZD$60,000, largely consistent with the location’s socioeconomic profile.

Over half the respondents agreed that they always checked the accuracy of their grocery bill either as their purchases were being scanned or just after the receipt was generated. The rest stated that they either forgot to check or “could not be bothered checking”. Further investigation of this group revealed that not checking was a result of believing that scanner errors did not occur or they were small in relation to the total cost of groceries.

Irrespective of whether the respondent checked for errors or not, almost all (96%) believed that their “supermarket sometimes got it wrong” with one third stating that they noticed an error on at least “every second visit to the supermarket”. Whilst mistakes were often only “a couple of dollars”, some were overcharged by as much as ten dollars. Of interest is that no respondents recalled ever being undercharged for their groceries, a finding not consistent with previous research (e.g., Clodfelter 1997; Garland 1992; Welch and Massey 1988).

All those noticing an error informed customer services and whilst all were refunded around one third of respondents were routinely “made to feel guilty about informing customer services”. Finally, around half (48%) of respondents said that if a competitor supermarket opened in the same locality that they would either “likely” or “certainly switch” to them. Whilst error was not the only reason for this intention, it did feature heavily as a motivation to switch to an alternative. Given the space limitations, the following verbatim comments are a small fraction of the qualitative data collected but reflective of the patterns observed overall.

“I don’t check as much as I should but it is annoying…as a foreigner I was warned to check because of the frequent mistakes made…” (23 yr old female Russian Account Manager)

“I watch everything as it is scanned…everything.” (42 yr old female Hair Stylist)

“I didn’t use to check but after the first mistake… I always do now…I can’t rely on them to get it right so I need to keep an eye on them…I would change supermarkets in a heartbeat if another option was there.” (37yr old male Business Development Manager).

In conclusion, this exploratory research does indeed indicate that scanner error does still occur with concerning regularity. Secondly, three CCB response categories are evident, which for descriptive purposes are referred to as Noticing Complainers,
Noticing Ignorers, and Non Noticers. Finally, managers are at risk of losing the business of the Noticing Complainers if remedial policies are not developed and perpetuated. With respect to theory development opportunities, as well as developing a scanner error CCB model, such areas as emotion and satisfaction (e.g., Westbrook and Oliver 1991), or attribution (e.g., Tsiros, Mittal and Ross 2004) should not be overlooked.

Of course, these findings must be viewed in cognisance of the research limitations relating to scope and context, issues which will be addressed in subsequent stages.

REFERENCES


A Communication-based Branding Model for Building Retail Service Brand Loyalty
Kuan-Yin Lee, Central Taiwan University of Science and Technology
Yin-Chiech Hsu, National of Kaohsiung First University of Science and Technology

EXTENDED ABSTRACT
The power of a brand lies in the minds of consumers, and the added value enjoyed by a retailer as a result of the role played by its brand in the thoughts, words, and actions of consumers is known as retail brand equity. However, despite the increased focus on retail branding in recent years, the concept of retail service brand equity has received relatively little attention.

In the marketing literature, communication is recognised as an important means of developing strong brand equity (Keller, 2003) and eliciting a favourable consumer response (Duncan and Moriarty, 1998). Such communication to consumers is not restricted to overt messages through integrated marketing communication (IMC), but also occurs more covertly through such aspects of the retail mix as store displays, product assortment (Ailawadi and Keller, 2004), and so on. This study, therefore, addresses the issue by proposing a communication-based branding model, drawing on Lasswell’s (1948) communication model to explore certain parallel features of the communication process and the branding process.

Communication in the branding process
In dealing with the critical dimensions of relationship marketing and brand building, the marketing literature has focused on such elements as trust and commitment, and has tended to neglect the importance of communication theory (Duncan and Moriarty, 1998). However, as Schramm (1973) has pointed out, communication is fundamental to relationships, and there is an emerging view that communication theory has much to offer relationship marketing in general and brand theory in particular. In this regard, the following observations can be made.

• First, transaction-based marketing has traditionally focused on one-way marketing communication; in contrast, the paradigm change that has occurred in branding as companies have become more interested in building customer–brand relationships has led to an increasing emphasis on two-way communication.
• Secondly, communication theory recognises that brand communication can be meticulously planned (as occurs in the case of integrated marketing communication) or it can be quite unplanned (as occurs in word-of-mouth between customers).
• Thirdly, deliberate brand communication is transmitted through a variety of channels, including such means as the retailing mix in addition to overt advertising through broadcasting media.
• Fourthly, communication of brand content is a significant means of acquiring customers, forming customer–brand relationships, and then maintaining those relationships.
• Fifthly, communication is a crucial driver of brand equity by creating awareness of the brand, eliciting positive feelings and judgments with respect to the brand, and facilitating a strengthening consumer–brand connection.

It is thus apparent that communication plays a crucial role in building customer–brand relationships (Duncan and Moriarty, 1998). Indeed, it is the contention of the present paper that there are significant intersections between communication theory and brand theory that are worthy of exploration to achieve a better understanding of the management of customer–brand relationships.

According to Lasswell’s (1948) model, the communication process and the branding process have several features in common. First, in general terms, the parallel models of communication and marketing reflect the fact that both essentially involve relationships. As Webster (1992) has observed, the narrow conceptualisation of marketing as a short-term exercise in profit maximisation is increasingly perceived to be out of date. There has been a paradigm shift from a functional, mechanistic, production-oriented model of marketing to a relationship-based model of personal interaction. The branding process, as a crucial means by which a company differentiates its offerings from those of competitors, must follow the same trend in adopting a process of feedback and relationships (Berry, 2000). Secondly, the message that Lasswell mentioned in branding process is contained in such brand elements as the brand name, symbol, logo, and so on. These communicate with consumers in a consistent fashion and enable them to identify and differentiate among brands (Keller, 2008). Thirdly, the channel of the branding process is the retail mix, which, in the present context, includes all store-related attributes of design and display, together with all integrated marketing communication. Fourthly, the noise of competing brands interacts with the desired message in the consciousness of consumers at all stages in the consumer decision-making process (Laroche et al., 2005). Fifthly, feedback is central to the branding process, just as it is central to two-way communication; without feedback there is no dialogue. In brand theory, feedback is a powerful means whereby a retailer can secure a competitive advantage and establish brand equity in the memories of consumers.

A communication-based branding model
Drawing on the parallels that are evident in communication theory and the branding process, the present study proposes a communication-based branding model. The model we proposed will solve the following questions: Who is involved in building retail service brand? How the focal brand communicates with consumers? Who compete with focal brand? And how consumer responses to the focal brand and competing brands? The model is essentially based on two levels of communication. At the corporate level, to maximize superior brand value to create consumer-brand relationship, a market orientated retailer is necessary. The retailer should sufficient understanding their target consumers’ needs, acquiring competitors branding intelligence, and coordinates the cross-functional branding teams to create effective retail service brand elements and ensure that the necessary resources are provided for the branding process. At the customer level, the corporation should communicate with consumers via brand elements intertwined with retail mix. A consistent and complementary intertwining of the brand communication will result in enhanced retail service brand equity. Then, this study has focused on competition as a ‘noise’ in the communication-branding process. Consumers compare competing brands not only

359 Advances in Consumer Research (Volume VIII), © 2008
in terms of communication strategies, but also in terms of perceived brand equity. The inclusion of inter-brand dependence in a single model provides an improvement in terms of research methodology.

**Conclusion**

Although communication is a key ingredient in branding process, few studies have discussed the intersection effect between them. The study, therefore, provides a deeper understanding of communication theory, so that companies can identify and manage better the brand communication that determines the quantity and quality of their brand relationships. This study has both theoretical and practical implications.

**REFERENCE**


Impact of retail on the Indian consumer
Vinita Choudari, India
Rumilla Lobo

ABSTRACT

Overview of the Research:
Over the last few years marketers having studied the Indian organised retail sector have come to the conclusion that India is currently in the second phase of the retail evolution cycle, with consumers becoming more demanding with their rising standard of living and changing lifestyles. The major factors fuelling this growth spur are the increase in disposable income of the people, improving lifestyles, increasing international exposure and increasing awareness among customers. These macro level factors alone cannot be responsible for fuelling this market growth, having the money to buy does not necessarily translate into an actual purchase. The Indian consumers have been quite clever in the manner that they have used the retail boon to their advantage, they have more options than ever before and they exert their power of knowledge very well.

Methodologies: Ethnographic observations and one on one depth interviews have allowed us combine the 2 worlds of what consumers say versus what they actually do in reality.

Ethnographic observations: Ethnography presents the results of a holistic research method founded on the idea that a system’s properties cannot necessarily be accurately understood independently of each other hence only on observing the actual behaviour of consumers in the retail outlet allowed us to understand how the consumers interacts with different elements in a retail outlet.

One on one depth interviews: each consumer’s retail experience has its own unique stamp hence one on one depth interviews as a format allowed us to capture individual experiences and understand the consumer’s attitude to retail.

Significance of the Research:
This research makes an important contribution to the marketing retail literature. The results show that it is the new age Indian consumer’s psyche that has changed with the focus shifting from just buying to buying into an experience. Retail shopping today is not only built around the purchase of a product rather consumers are buying into a complete package, a complete experience, so much so that we predict that the consumers will soon find it difficult to shop in their regular traditional retail format.

Our results suggest that retail has redefined itself into an experience which is therapeutic for the new age Indian consumer. What the marketers would define as enticement through the combined effort of product display, promotions, store layout, product interaction, sales personnel etc has all come together to create a whole new world called ‘Retail Therapy’.

On observing consumer behaviour is various retail outlets we have come to conclusion that retail therapy works on the emotions of a consumers. This complex emotion can be defined as a positive mood enhancement that makes it possible for a consumer to emotionally feel for a product.

This does not imply that the rational and functional evaluation of the product is not taking place; rather the consumer is also soaking in the feel of the product.

Consumers have paralleled this experience to pampering oneself in a spa, going through the emotions of courtship, where consumers have started getting addicted to this ‘emotional high’.

A case study will help capture this emotional high, a consumer buying a shirt at a rational level evaluated the product on the dimension of fabric texture, quality colour but the experience built around the product is what he is connected to for example the trial rooms, the large mirrors makes the consumer feel he is in the ramp where the focus is entirely on him indicating that what is driving the consumers is the flattery, pampering of ones ego.

Retail therapy gets manifested into different forms for each consumers for example it could be a means to escape from the monotony of running a household for a housewife, a means to pampering oneself for an executive seeking a break from his stressful work life, a means to showing off among friends for a child.

One might ask, what caused this Retail Redefining to take place, what started out as a simple purchase has now turned into a complex matrix of emotions where the consumer is seeking emotional gratification not from the source but through the means. The Indian consumer is using the world of retail as their palette where they pick the stores they want to shop in based on their mood and experience they seeks.

Implications: In light of the recent market recession our research has been able to capture this shift in the consumer’s mindset from a Retail therapy mode to Value for money mode. The consumer has not stopped shopping in their retail outlet but what has changed in the number of visits and the shift into an evaluation mode where maximizing on the best deal is more important. It therefore becomes important for retail outlets to sense the mindset of the consumer and to capitalize on both their fears and pleasure points.

References
Retail management 3 e: Levy Michael, Barton A. Wetiz
Retail marketing management: David Gilbert
Consumer behaviour 7e: L.G . Schiffman, L.L Kanuk
Retail management text and cases: Swapna Pradhan
One land one billion minds- Ramanujam Sridhar- 2007
We are like that only – Understanding the logic of Consumer India- 2007
It happened in India – Kishore Biyani- 2007
Do Retailers Know How Customers Value Brands?
Joshy Joseph, Indian Institute of Technology Madras, India.
Bharadhwaj Sivakumar, Indian Institute of Technology Madras, India.

Retailers are becoming powerful in the supply chain of most products and they have gained a decisive role in the design of their promotional programs (Buzzell, Quelch and Salmon, 1990; Bloom and Perry, 2001; Belch and Belch, 2004). They often persuade manufacturers to offer more of promotions than advertising. Researchers have noted that promotional schemes like discounts and allowances are offered at the expense of ad-spend, which weakens the leverage of the manufacturer (Farris and Ailawadi, 1992). While the bargaining power of retailers makes it imperative for promotion managers to follow them, retailers often justify their actions claiming that promotions are required to increase sales. In consumer markets, as companies do not generally have a direct contact with their end customers, they often rely on the retailer’s reports for customer feedback about the product and promotions, which could often be incomplete or misleading.

Not many researchers have attempted to find the differences in the perception of retailers and consumers about product offerings. McClure and Ryans (1968) investigated into the factors that retailers think customers would hold important while purchasing products and the factors customers actually value and found that they differ considerably. Abratt, Bendixen and Plessis (1995) looked into the manufacturer and retailer perceptions on in-store promotions in South Africa, but they did not consider customer perceptions. Recently, Moreau, Krishna and Harlam (2001) looked into the differing perceptions regarding price promotions from the manufacturer, retailer and consumer view points and found that manufacturers and retailers were equally inaccurate in their views of consumer perceptions. However, none of these researchers attempted to look into the difference in the perception of retailers and customers regarding brand equity. In this paper, we investigate the difference between the retailer perception of brand equity and the actual customer-based brand equity when different promotional schemes are offered in the market.

We did two surveys, one on retailers and the other on customers of a select set of products including six durables and six FMCG (Fast Moving Consumer Goods) items. From the retailers, we collected information like the frequency of consumer and trade promotions offered by each of these brands, and whether the brands had offered any such schemes in the recent past. We also asked the retailers about their perception of customers’ brand equity. In the second survey, we asked customers to indicate their brand equity for these products. We used the scale developed by Yoo and Donthu (2001) to measure brand equity.

We found that there is no correlation between the customer’s brand equity and the retailers perception of customer-based brand equity \(r = 0.070, p = 0.121\) and that customer-based brand equity was significantly lower than retailers perception of it \(F(1,492) = 16.695, p = 0.000\). We then checked to see whether customer brand equity was high when trade promotions were offered in the market in the recent past (within last 3 months) than when it was not offered. However, customer brand equity did not vary due to the recency of customer promotions \(F(1,492) = 0.693, p = 0.406\). This pattern was observed for trade promotions as well. Retailers perceived that customer brand equity was high when trade promotions were offered in the recent past than when it was not offered \(F(1,492) = 12.812, p = 0.000\). In the case of customer brand equity, no such difference was observed \(F(1,492) = 1.525, p = 0.217\).

This study points out the disconnect between customer-based brand equity and the retailers’ perception of the same. The study results could be an eye opener to marketing managers, as they generally tend to depend on retailer reports of customer feedback. Retailer reports of customer perceptions could be biased, which could affect the optimum budgetary allocations for brand development efforts of the company.

REFERENCES
The Dynamic Link between Satisfaction and Experience: Honeymooners, Disgruntled Midterms, and the Experienced Veterans

Tilottama G. Chowdhury, Quinnipiac University, USA
Abhik Roy, Quinnipiac University, USA
Soumitra Ghose, University of Miami, USA

ABSTRACT

Prior work on satisfaction examined an experienced based satisfaction model emphasizing the use of expectation norms (Woodruff, Cadotte, and Jenkins 1983). In our research we would like to understand how employee satisfaction with channel members changes with their experience with the industry over time. We believe individual employee expectation norms will change over time and based on the confirmation/disconfirmation paradigm of satisfaction (Oliver, 1980) we propose a satisfaction curve over time with respect to vendor relationships comprising of three phases, namely, the Honeymoon, the Disgruntled, and the Appreciative Phase. Exploratory study results support our hypothesis. Future research, implications are discussed.

When we think of satisfaction of a consumer it usually is what she derives from a consumption good/system. The Confirmation/Disconfirmation Paradigm has been widely regarded as a standard process by which consumers develop feelings of satisfaction/dissatisfaction implying three possible outcomes: Confirmation is the case when actual performance matches up to the standard level, satisfaction is derived when actual performance is better than one’s preconceived notions, and finally dissatisfaction generally arises when a consumer’s expectations far exceed the actual performance (Oliver, 1980; Cadotte, Woodruff, Jenkins, 1987). An interesting modification to the satisfaction derivation process is that satisfaction can be viewed as an additive function of both the initial level of expectations and subsequent confirmation/disconfirmation of expectations (Oliver 1980).

Satisfaction is dependent not only on the product/good but also on associated services on the product as provided by the dealer. Executives of companies have always wondered how the relative magnitude of satisfaction with the products and services and consequent behavioral intentions toward the dealer/manufacturer change over time. This needs to be examined specifically since it has major implications for effort coordinating behavior so as to achieve higher customer value (Anderson and Narus, 1995). Zeithaml, Berry and Parasuraman (1996) try to make a point across that the link between satisfaction and its consequences across time can only be understood through the intricacies of how satisfaction curves over time.

In our research we would like to understand how organizational employee satisfaction with vendors changes with their experience with the industry over time. It is to be assumed that experience with the vendor should increase relationship understanding and satisfaction. Drawing upon the Confirmation/Disconfirmation Paradigm, we propose that experience effect on satisfaction is much more dynamic. In this regard, Woodruff, Cadotte, and Jenkins (1987) proposed a customer satisfaction model using experienced based norms stating consumers’ experience will lead to well informed performance expectations which would lead to well informed performance expectations which employees often set these expectation norms too high resulting in dissatisfaction. We refer to the employees in this phase as the disgruntled midterms. From the point of view of the satisfaction paradigm, a disgruntled midterms whose expectations having been boosted at the initial level, the individual then finds it hard not to have idealistic aspirations regarding the chosen vendor and as a result the actual results may fall off far short of the modified expectations level.

Ultimately employees with lots of years of industry experience will have well tested set standards and norms and this would lead to well informed performance expectations which would be easily met. Thus, we refer to the employees at this phase as the experienced veterans denoting those individuals who have years of experience with the industry and realize the service that they receive is satisfactory. At this point, through their own time tested set of standards, they already know that the service that they receive from the vendors can’t better what it already is and consequently learn to be appreciative of the current vendors. Based on the satisfaction paradigm, the veterans having seen it all, keep their expectations (based on experience based norms) just at the level that they know a particular vendor is capable of performing.

For our exploratory study, we distributed satisfaction questionnaires to 117 employees of an insurance firm involved in the outsourcing industry (85 were returned completed). Individual employees varying in offshore outsourcing experience were asked to respond to multiple questions regarding their vendor experience (data collapsed across five vendors) and satisfaction with outsourcing activities. Results indicate a main effect for years of experience with offshore outsourcing on satisfaction (F(df =82) = 3.89; p < .05). Pattern of means indicated the satisfaction scores for the honeymooners (p < .1) and experienced veterans (p < .01)
were higher than the disgruntled midterms; no statistically different satisfaction scores for the honeymooners and veterans, implying the dynamic nature of the satisfaction curve across the three proposed phases.

To our knowledge this is the first study ever to examine the dynamic nature of the satisfaction curve as a function of experience in vendor relationships. It’s a novel area of research and we conceptualize and make a preliminary attempt to investigate the proposed three interesting phases of employee-vendor relationship over time. Future research should further examine different dimensions of these phases and provide empirical evidence to support the U-shaped satisfaction curve implicit in our theorizing.

KEY REFERENCES
Introducing International Brands in Emerging Markets
Sanjay Ghose, University of Wisconsin-Milwaukee, USA
Oded Lowengart, Ben-Gurion University of the Negev, Israel

ABSTRACT
Firms are expanding their global presence as they realize this is a significant source for sales and profits growth. The share of global sales out of total sales has increased significantly over the recent past, thus indicating the importance of such activity for firms. The increased activity of firms in the global arena has created a challenge for marketers as they need to compete against local products targeting diverse consumer segments. Specifically, once introduced into a new country an international brand needs to be positioned against the local operating brands. The associated task of identifying the exact strengths and weaknesses of brands they compete with is a complex one since it involves different local brands with differing kinds of sometimes long-standing psychological ties to consumers in the domestic market. Consumers clearly vary in their preferences and perceptions about brands that come in from the outside. In particular, variations in the cultural background of consumers in different countries might have an impact on their preferences for global and local brands. In this research we investigate how local, national and global brands compete with each other for a piece of the consumer market in an emerging international market.

A typical market is characterized by the presence of many different kinds of brands. Consumers have to make their own judgments about the properties of these brands before making a choice. In consumer markets, the origin of the brand often provides cues that help consumers in their choice making process. One way to identify brand origins, is to check whether it is a manufacturer brand or a private label brand. Academic researchers have studied the dynamics of these two kinds of brands on actual choice (e.g., Sethuraman, 1996). In advanced countries, these two types of brands are major players, and research has brought out interesting insights into how consumers react to them. In other countries which have been more recently exposed to international marketing, the situation is more complex. The presence of international brands, their own national brands, and their own private brands often characterize such markets. Consumer reactions to this interesting mix of brand categories, have received little attention in the academic research literature.

Exploring current brand positioning and preference in such countries where introduction of international brands occurred in the relatively recent past (e.g., a decade ago) might provide a good opportunity for getting more insight into how international brands impact the thinking of domestic consumers. Such countries present an opportunity to examine the market changes after the introduction of such brands and provide a base to better plan an appropriate brand introduction strategy into new similar markets in other countries. Such an introduction can be successful if managers consider, among other things, the driving forces behind consumers’ choices for international and national brands. While the literature has ample evidence that benefits stemming from a brand’s attributes drive consumers’ preferences, it has been mainly concerned with within category brand competition of local brands (i.e., national and private brands). There is a relative scarcity of research that explores the driving forces of brand choices of international brands in new international markets. Issues such as identification of the salient product characteristics that drive brand preference, differences in the effects of brand image related product characteristics (that are often major attractions in global brands) on brand preference, and variations in such saliencies and impacts in the presence of consumer heterogeneity, have not been fully addressed. The purpose of this study, therefore, is to fill this void in the literature by using data from an emerging international market.

Characteristics of international brands have been discussed by Quelch (1999). Similarly Nandan and Dickinson (1994) have outlined properties of private brands. Of course there is no dearth of articles on national manufacturer brands. However there is very little research on consumer choice as affected by the unique qualities of these brand categories when they compete directly with one another. Here we try to fill this gap in the literature.

In order to study this problem we use a choice modeling approach employing the multinomial logit model (McFadden, 1974). We derive a probabilistic description of brand preference based on product attributes for the three brands. In order to capture consumers’ heterogeneity in terms of familiarity and usage levels, and in terms of their cultural differences, we apply the model to different segmentation schemes. We use the choice model to uncover salient attributes that are involved in consumers’ choice decisions. Estimation of the model provides interesting insights into how different product attributes drive choices often differently for different categories of brands. Such diagnostics can lead to useful managerial implications.

Our results indicate that there are interesting variations in the saliency pattern of attributes across local, national and international brands in the context of consumer choice. These patterns however, are also not similar in different consumer groups. For example consumers with differing perceived emphasis on the importance of buying local products revealed interesting differences in the attribute saliencies in the context of affecting brand choice.
The Emergence of Internet Shopping in India: Identification of Shopping Orientation-Defined Segments

Mahesh Rajan, San Jose State University, USA
Ken Gehrt, San Jose State University, USA
Shainesh G, Indian Institute of Management-Bangalore, India
Matt O’Brien, Bradley University, USA
Therese Louie, San Jose State University, USA

INTRODUCTION

With a GDP growth rate of 8.4%, India is one of the fastest growing economies in the world – its GDP was $720 billion in 2005. In purchasing power parity this corresponds to $3.66 trillion by 2007 and by 500 million by 2010. When it comes to online shopping, Indians are increasingly proving that they can beat the world when it comes to buying with keyboards and clicks (Comiskey, 2005). For instance, according to a study conducted by the Internet & Mobile Association of India, the online shopping market in India has risen from about $11 million in 1999-2000 to about $58 million in 2003-04 and is slated to grow to more than $522 million by end of March 2007. Indian online shoppers had 5.2 average monthly purchases as opposed to the global average of 4.9 purchases (Physorg.com, 2006).

Reasons for such high growth in internet usage and e-commerce include government initiatives. For example, the number of state owned banks and the railways have undertaken initiatives to encourage subscribers to log on and transact online, bringing a large number of new users online. Online shopping growth also relates to weaknesses in the country’s supply chain. According to a recent news article, entrepreneurs such as the founder of Fabmall.com, an Indian e-commerce firm, “love the pot-holed congested roads” of cities such as Bangalore (The Hindu, March 6, 2006). Finally, online transactions are increasing in the smaller cities as well as large metro centers. Smaller cities are marked by less developed marketing and distribution institutions and infrastructure. According to Mr. K. Vaitheeswaran, founder of Fabmall.com, “if the top six cities accounted for 60-70 per cent of Fabmall’s business in 2001, today their share has shrunk to just 20 per cent…” “India is expected to be one among the top three Internet markets in the world in five years.” (Nair, 2006).

Hence, in order to tap into this growing market and to become a successful entity, firms (both brick-and-mortar as well as online only competitors) need to fully understand the nuances of the Indian market including market conditions, government policies, and most importantly, the mindset and preferences of Indian consumers. Shopping orientation research played a crucial role in helping to understand the emergence of U.S. catalog retailing a generation ago (Berkowitz, Walker, and Walon 1979) and, more recently, U.S. internet retailing (Girard, Korgaonkar, and Silverblatt 2003; Rohm and Swaminathan 2004). It has also enhanced our understanding the nature of non-store shopping orientations of consumers from different countries (Brown, Pope, and Yoges 2003; Shim, Gehrt, and Lotz 2001). This will be the first study to explore the nature of shopping orientations with an emphasis on Indian Internet shopping.

Purpose of Study

The study will, first, identify shopping orientation tendencies among Indian Internet users. It will then identify segments of shoppers by clustering subjects in terms of the similarity of their multiple shopping orientations tendencies. Next, it will profile the segments in terms of socio-demographic and behavioral data. Finally, it will examine the propensity of each shopping orientation-defined segment to purchase various categories of products online. By examining these issues, the research will provide a better understanding of Indian online shopping and of how to begin to satisfy the needs of Indian online shoppers.

Methodology

Questionnaire development began with past online shopping orientation research. Focus group interviews of Indian consumers were used to identify needs for item adaptation and item additions. Finally, interviews with Indian online retailers and participants in the Indian online retailing supply chain were interviewed to further ensure that the questionnaire and study in general were properly oriented. Forty to 50 shopping orientation statements are likely to result to be measured on a Likert scale ranging from “strongly disagree” to “strongly agree.” Socio-demographic characteristics, Internet-related behaviors, and Internet purchase intentions are also being measured. Since Internet shopping is not yet widespread in India, a data collection procedure that tends to over-sample Internet shoppers and those with greater Internet shopping potential is being used; thus, the survey is posted on a website (websurveyor) hosted by the Indian Institute of Management, Bangalore — http://spidi.iimb.ernet.in/survey/index.php?sid=11145&lang=en

Once the data are collected, the analytical procedure used will include three steps. First, exploratory factor analysis will be used to identify underlying shopping orientation themes. Next, cluster analysis will be used to identify segments of Internet users who share similar profiles across the shopping orientations. Finally, regression analysis will be used to characterize the segments in terms of socio-demographics and product-specific online patronage proclivities.

Preliminary Findings

Two focus groups were held in Bangalore and Chennai, India last year. The participants consisted of 12 males and 10 females; aged from 21 to 55, professionals from all walks of life, all with some level of college education or higher, across the board internet usage, and included online shoppers and as well as non-shoppers. Convenience, more choices and prior experience were cited as the most common reasons for shopping online, while unfamiliarity with/distrust of the internet, preference for physically inspecting the merchandise, cumbersome tax and shipping issues as well as inability to bargain over prices were mentioned as the main reasons for not shopping online. A majority of online purchases were travel-related (especially, train tickets); however, there was an increasing propensity to buy jewelry (trinkets, fashion jewelry,
etc.) and small electronic goods such as cell phones and digital cameras.

Future Plans and Deliverables
The authors plan to present preliminary findings of the study at the 2009 ACR Asia-Pacific Conference Indian School of Business, Hyderabad, India, and submit a first rendition of this manuscript to the AMA Summer Educators’ Conference (Global Marketing Track) for 2009. Feedback from the conference presentations will help the authors to further refine the manuscript for submission to a refereed journal. With recent substantial growth in online retailing and with the recent escalation of the Indian economy, the authors believe that the manuscript will have excellent publication potential.

REFERENCES
Complaining Behavior: Cross-Cultural or Situational? An Exploratory Study of Indian Nationals Living in the United States
Jeffrey G. Blodgett, North Carolina A & T State University
Aysen Bakir, Illinois State University
Donna Hill, Bradley University

EXTENDED ABSTRACT
Many studies have attributed cross-national differences in consumers’ responses to dissatisfaction to cultural factors (e.g., Watkins and Liu, 1996; Mattila and Patterson, 2004). Indeed, studies indicate that in collectivist cultures dissatisfied consumers are less likely to complain to the seller (Liu and McClure, 2001), as are individuals living in countries that are characterized by high levels of uncertainty avoidance (Hernandez, Strahle, Garcia, and Sorensen, 1991). This study, however, challenges the notion that culture is the major factor that accounts for differences in complaint behavior across countries. Although it is clear that cultural norms and values influence consumer behavior in general; we posit that situational factors provide a more compelling explanation for differences in cross-national complaint behavior. More specifically, we propose that much of the variation in complaint behavior (i.e., whether a dissatisfied customer complains to the seller, engages in negative word-of-mouth, or exits) across national boundaries is instead due to differences in the prevailing retail policies.

The purpose of this exploratory study was to gain insight as to the extent to which complaint behavior is due to cultural vs. situational factors. Assuming that cultural values are relatively stable and enduring we wanted to establish whether dissatisfied consumers’ complaint behavior varies depending on the country in which they are living. With the U.S. being a “melting pot”, consisting of individuals from around the world, it is essentially a “living laboratory” in which to address the research issue. Given that the return policies of U.S. retailers are the most liberal in the world, we attempted to determine whether the complaint behavior of expatriates living in the U.S. varied from their behavior when residing in their home country. If culture is indeed the predominant determinant of complaint behavior then the actions of foreign nationals living in the U.S. should not differ from their responses when residing in their home country. If, however, individuals who would not normally seek to exchange an item or request a refund when living in their home country behave differently when in the U.S., one could argue that cross-national differences in complaint behavior are due largely to situational factors.

In order to shed light on this issue a qualitative approach was taken. Eighteen individuals who were born and raised in India, and are now living in the U.S., shared their insights. Informants ranged in age from 23 to 40. Some had lived in the U.S. for a relatively short time (one year or less), while others had been in the U.S. for over ten years. Each person had been in India within the past three years, and hence was well aware of any differences in the prevailing retail policies.

Based on the various responses it is apparent that retail policies are much more liberal in the U.S. as compared to India. Informants indicated that: 1) policies regarding returns and exchanges are much more restrictive in India; refunds are almost unheard of, although some retailers do grant store credit; 2) exchanges are allowed only for defective items; 3) policies regarding returns and exchanges depend on type of store (i.e., “Mom and Pop” stores have restrictive policies, whereas some of the large chain stores have more liberal policies); 4) to exchange clothing, items must be in the original packaging and price tags must still be intact; and 5) electronic items typically have to be returned to the manufacturer. Informants also indicated that it is uncommon for retailers in India to guarantee “satisfaction, or your money back.” Exceptions exist within a few product categories, such as cosmetics, but only when the product is backed by the manufacturer. Interestingly, a large majority of informants indicated that they would be much less likely to attempt to return or exchange unsatisfactory products when in India, and if they did attempt to do so the likelihood of success would be much lower. At the same time, most individuals stated that their underlying, cultural values had changed little, if at all; however, several respondents admitted that they might have shifted just a bit towards more of an individualistic orientation. Some respondents also stated that their expectations of retailers had changed; i.e., that they now demand a higher level of quality and service. Finally, respondents indicated that when dissatisfied in India they are much more likely to engage in negative word-of-mouth, and that this type of communication is particularly effective in their culture.

Although we cannot arrive at a definitive conclusion it appears as though complaint behavior is influenced to a large degree by situational factors. Assuming that cultural values are internal and stable, any variations in the complaint behavior of individuals – e.g., depending whether they are in India vs. the U.S. – must be due to other factors. In this case, the most obvious factor is the stark contrast in the prevailing return policies of retailers in the two countries. Of course, more work needs to be done to disentangle the effects of cultural and situational variables. Nonetheless, this exploratory study certainly challenges the prevailing notion that culture is the driving force behind differences in complaint behavior across national boundaries.

REFERENCES
Examining Between Group Differences in Consumer Research: Are We Identifying False Positives and False Negatives?

Subhash Sharma, Moore School of Business, University of South Carolina, Columbia, SC
Srivas Durvasula, Marquette University, Milwaukee, WI

EXTENDED ABSTRACT

Comparing between group differences (e.g., differences between demographic groups or groups based on attitudinal variables such as involvement) has long been a tradition in social sciences and discussed widely in textbooks. For example, research in marketing often involves examining group differences on consumer behavior constructs such as advertising attitudes, brand loyalty, consumer ethnocentrism, service quality, and vanity. The underlying constructs are often measured with well-developed multi-item Likert scales (e.g., Netemeyer, Burton and Lichtenstein 1995; Parasuraman, Zeithaml and Berry 1996; Sharma and Shimp 1987). Studies are then conducted and mean responses to the scale items are compared between groups to test specific hypotheses.

The data analytic approach typically involves a combination of exploratory or confirmatory factor analysis to determine whether the scale items exhibit the same configuration of loadings in various groups, and then a t-test or an ANOVA to determine the significance of mean differences. It rarely involves a rigorous assessment of the measurement equivalence of scales in the groups that are being compared.

Yet, to compare relationships between constructs or means across groups, establishing invariance is critical to resolve “whether or not, under different conditions of observing and studying phenomena, measurement operations yield measures of the same attribute” (Horn and McArdle 1992, p. 117). If the measurement properties of a scale are invariant in certain groups, there is no guarantee that they are invariant in other groups. As such, measurement invariance or equivalence must be established prior to examining group differences, since invariance is not an intrinsic property of a scale.

While techniques based on generalizability theory and item response theory have been proposed to assess measurement invariance (cf. De Jong, Steenkamp and Fox 2007, Durvasula et al. 2006; Sharma and Weathers 2005), multiple group confirmatory factor analysis based on classical test theory remains the most popular (Steenkamp and Baumgartner 1998). When using multiple group confirmatory factor analysis, it is necessary to establish two types of invariance—metric and scalar. If a researcher intends to compare construct relationships or mean scores. Metric invariance, which verifies that subjects in different groups understand the items the same way, is required for comparing construct relationships. This type of invariance can be established by showing that the same scale items measure each construct in all groups and that the factor loadings between items and constructs are invariant across groups. However, to allow meaningful comparisons of the underlying constructs, it is necessary to establish scalar invariance between groups. Scalar invariance assures that cross-group differences in the means of the observed scale items are a result of differences in the means of their corresponding constructs. To assess scalar invariance, one must show that the intercepts of the underlying items are invariant across groups.

Numerous articles in the literature have called for establishing measurement equivalence of scales in various groups prior to comparing mean differences (cf. Meredith 1993; Steenkamp and Baumgartner 1995). Otherwise, meaningful comparison of constructs across groups is not possible, and the credibility of study findings is considered doubtful (Davidov, 2008). Despite such exhortations, researchers assume, perhaps mistakenly, that measurement equivalence is a necessity only when performing cross-national research and that it is not required when comparing within-country groups that are formed on the basis of demographics, attitudinal variables, etc. That may explain why we continue to find articles in major marketing journals that overlook measurement invariance when making group comparisons. The objective of our study, therefore, is to discuss the importance of establishing measurement invariance across consumer groups. Specifically, we use contrived data to show how, under different scenarios, flawed conclusions can be reached when mean comparisons are performed on survey measures that are not invariant across consumer groups.

REFERENCES


Interaction of banner ad and sponsorship in online advertising: The impact on attitudes and purchase intention
Chatdanai Pongpatipat, College of Business and Public Administration
Old Dominion University
Mahesh Gopinath, College of Business and Public Administration
Old Dominion University

INTRODUCTION
Internet is a more goal-oriented, activity-oriented, and information-oriented medium (Cho & Cheon, 2004) than many other mediums. But many consumers perceive internet advertising as intrusive because it interrupts the process they are doing, which could lead to negative attitude towards and avoidance of products advertised.

Two of the most dominant forms of Internet advertising are Banners ads and Sponsorships. Banner advertisement is a rectangle display on the web site serving as a lead-in to persuade consumers to find out more by clicking on the banner (Baltas, 2003). Sponsorship is defined as a text-based advertisement embedded on the website and related to the website content. It is usually a short text ad that identify as sponsor’s brands and products. Sponsorship has been discussed as one of the newest and most popular forms of Internet advertising. Internet sponsorships generated $1.87 billion in 2001, accounting for one-third of all Internet advertising revenue for that year (Internet Advertising Bureau, 2002). Prior research has looked at sponsorships and banner ads of them separately to study their advantages and disadvantages (Briggs and Hollis 1997). This paper will take a closer look at the integration of these two forms and their impact on attitudes toward the brand, website, and the company. It has been shown that banner ads have the ability to attitudes to wards brands and products being advertised (Dreze and Hussherr 2003). It has also been found sponsorships have an effect of increasing attitudes towards the brand and attitudes towards the company (Rogers, 2003). We hypothesize that when advertisers integrate both banner ads and sponsorships in the same advertisement, the positive effects of both banner ads and sponsorships together could significantly increase the attitude toward ads, brands and companies more than using each separately. On other words we expect an interaction effect of sponsorships and banner ads n attitude toward the product, brand and company.

Congruity in Internet advertising
The definition of personal relevance is the extent that consumers perceive the object to be self-related or in some way instrumental in achieving their personal goals and values (Celsi & Olson, 1988). When subjects are exposed to messages that are relevant to themselves, the positive attitude toward that message increases (Campbell & Wright 2008).

We are also interested in studying the “fit” or congruity between the ads and the consumers. Becker-Olsen (2003) finds that fit or congruity is very important for effectiveness of sponsorship. High-fit sponsorship could generate greater positive attitude toward the company and sponsored organization, in this case, brands or website. In our model, banners and sponsorship ads drive attitude towards the ad, brand and company and this relationship is moderated by the congruity. The attitudes further drives purchase intention.

Another variable we are interested in is the relevance of the information contained in the Banner ad or Sponsorship. It has been shown that exposing Internet users to irrelevant information could lead to limited processing, inferior recall (Heckler & Childers, 1992), and less favorable attitudes (Lee & Mason, 1999; Shamdasani, 2001). Thus, we posit that Banner ad or Sponsorship containing irrelevant information could irritate users and lead to the negative attitude toward the ads, brands, or company.

Proposition 1: Banner ads containing relevant information is negatively related to the attitude toward (a) the ad, (b) the brand, (c) the company.

Proposition 2: Sponsorships containing relevant information is negatively related to the attitude toward (a) the ad, (b) the brand, (c) the company.

Consumers are more likely to positively evaluate ads with relevant information because it helps saving time (Docoffee, 1995). Therefore,

Proposition 3: Banner ads contained relevant information is negatively related to the purchase intention.

Proposition 4: Sponsorship contained relevant information is negatively related to the purchase intention.

Interaction of Banner ads and Sponsorship
Exposing consumers to the banners and sponsorship ads increases attitude toward the ads and brands, and increase the positive perception toward the company. We propose that combining them together in the same ad in a congruent manner will increase the positive effect toward the (1) ads, (2) brands, and (3) company, more than the additive effect of using either one of them

Proposition 5: Integrating a banner and sponsorship in the same ad will positively influence the attitude toward (a) the ad, (b) the brand, and (c) the company more than a banner alone.

Proposition 6: Integrating a banner and sponsorship in the same ad will positively influence the attitude toward (a) the ad, (b) the brand, and (c) the company more than a sponsorship alone.

Proposition 7: Integrating a banner and sponsorship related to each other will positively influence the purchase intention more than a banner alone.

Proposition 8: Integrating a banner and sponsorship related to each other will positively influence the purchase intention, more than a sponsorship alone.

Conclusion
Effective communication on the Internet is becoming more difficult and challenging for advertisers. Banner ads and sponsorships are two most popular formats used on Internet advertising. It is important to focus attention on how to use these two formats more effectively. This paper contributes by investigating the congruity between these two formats of internet ads and consumers. We propose that banner and sponsorships could be avoided by consumers, when there is a perception of lack of congruity leading to negative attitude and less purchase intention.
REFERENCES


Red Squares and Blue Circles: How Color Affects Processing of Price Information

Rajesh ChandraShekaran, Fairleigh Dickinson University
Rajeneesh Suri, Drexel University
Dhruv Grewal, Babson College

EXTENDED ABSTRACT

This research generally addresses the role that color plays in the context of retail price advertising. The notion that color influences emotions and decisions has been applied in many areas of marketing, e.g., in store design (atmospherics), product design, packaging, brand/corporate logos and advertising (Wexner 1954; Schae1 1961, 1962; Kreitler and Kreitler 1972; Adams and Osgood 1973; Byrnes 1983). However, research on the role of color in the context of pricing is missing.

A preliminary content analysis of over five hundred price advertisements from 4 popular stores (Macy’s, Wal-Mart, Sports Authority and Target) revealed some interesting patterns in retailers’ use of color in price advertising. The primary objective of the content analysis was to understand how retailers use color to signal special (discounted) prices to consumers. Based on the content analysis, it appears that many major retailers use the color RED to draw attention to sale (reduced) prices. The primary objective of this stream of research is to systematically investigate how consumers’ respond to the color RED in retail price advertisements in a non-sale context. In addition, we investigate whether males and females differ in the extent to which they are influenced by the color of the price information.

Study 1

This study specifically investigates how evaluation of an advertised price is influenced by both the color of the price itself (foreground) and by the color of the background. In this study, we considered three colors (red, blue, green and yellow). These colors have been used in prior research in other settings. Furthermore, prior research has shown that two of the colors (red and yellow) are considered to be warm/stimulating colors and the other two (blue and green) are considered have a calming effect. We created different versions of mock advertisements in which price represented in a particular color was shown in three different backgrounds (using the three remaining colors). For example, price in red color was rated as more pleasing when it was presented as a square versus when it was presented as a circle.

One hundred and fifty graduate and undergraduate business students were randomly assigned to groups. Each subject was exposed to one of several versions of a mock store flier featuring three toasters and two microwave ovens1 after which the subject was asked to provide evaluations (perceived value, perceived savings, and willingness to buy). In addition, we assessed subjects’ emotional responses in each of the groups.

Findings suggest that both the color of the price and the background color have significant impact on affective states of the respondents. In addition, color of the background had a significant impact on evaluations, but this effect is mediated by the affect that is induced by the color of the background. Several avenues for research and implications are developed.

Study 2

This study focuses particularly on the color of the background, but introduces another variable – shape. Extant research in psychology has addressed how color interacts with other factors to influence perceptions and performance on comparison tasks. However, relatively less attention has been paid to the interactive effect of color and shape (form). Available evidence in psychology suggests that individuals may have strong preferences for certain colors represented in certain shapes, e.g., red color was rated as more pleasing when it was presented as a square versus when it was presented as a circle. A cursory glance at retail fliers reveals that retailers frequently highlight special prices using colored background in a variety of shapes and sizes. However, we do not have adequate knowledge about whether and why these tactics are effective.

Borrowing from psychological research that individuals are likely to have color-shape preferences, Study 2 investigates whether this phenomenon holds true in the context of retail price advertising. Preliminary research using two colors (red and blue) sheds interesting light and confirms that indeed consumers are likely to evaluate advertised prices more favorably when they are represented using particular colors in particular shapes. This research is currently underway, but the preliminary evidence is encouraging and consistent with the premise of the study.

Discussion

The two studies suggest the need to investigate how retailers’ price representation tactics (e.g., color and shape) influence consumers’ overall perceptions of price. The findings have implications for both theory and practice. Future research could also verify whether similar results are obtained using other products, and whether other factors (e.g., product/price knowledge and involvement) that determine the role of irrelevant dimensions of the stimulus. Finally, it will be interesting if future research could demonstrate these effects on store sales (or revenues) in an actual field setting.

References

Available upon request.

1 The stimuli used are similar to those described in Schindler and ChandraShekaran (2004).
The Role of Emotions and Relationship quality in Service Failure and Recovery
Maureen Muller-Kahle, College of Business and Public Administration, Old Dominion University
Mahesh Gopinath, College of Business and Public Administration, Old Dominion University

INTRODUCTION
A large component of a buyer-seller relationship is not comprised of just one-time sale, but sales that continue over time. While there is enormous pressure on the salesperson to deliver what has been promised, have flawless follow up and maintain great customer service, there will be occasions when there is a failure in service delivery. Straus and Seidel (1998) suggest that the way a company responds to breakdowns in complaint handling is vitally important. While failure in customer service between consumers and service companies has been studied extensively, there has been little attention to service failure recovery in sales B2B sales relationships. The sales process is more relational in an industrial sales relationship. So, it is important to study how the strength of the existing relationship will moderate reaction to service failure. This paper also addresses the role of emotions in the service failure recovery process. Bagozzi, Gopinath and Nyer (1999) suggest that emotions play an important role in marketing in that emotions occur in response to an appraisal of an antecedent condition that affect a person’s personal well-being. We look at the role of emotion in service recovery efforts and examine behavioral intentions following service recovery.

Long-term relationships are vitally important in industrial sales, but failures in service can lead to complaints which can threaten those relationships (Morgan & Hunt, 1994). When complaints occur, how a company responds to those complaints can have a dramatic impact on customer retention rates (Tax et al., 1998; Schneider & Bowen, 1999). However, little research has been done on how service failure and service recovery from the perspective of industrial sales and role of emotions in this process. We present a framework for industrial service failure and recovery using appraisal theory to examine the role of emotions as a mediator between the failure and behavioral outcomes. We also look at the role of relationship quality.

In our model we hypothesize the failure and recovery leads to specific discrete emotions and this relationship is moderated by the perceived service quality. Further the emotions experienced drive behavioral intentions. This model is consistent with the research done in appraisal theory of emotions.

Service failure is defined as the instance when a service provider does not meet a customer’s expectations (Alexander, 2002). In the proposed study, we look at two types of service failure: low controllability failure and high controllability failure. Service recovery is another variable we are interested in and it “involves those actions designed to resolve problems, alter negative attitudes of dissatisfied customers and to ultimately retain these customers” (Miller, Craighead & Karwan, 2000, p. 388). We posit that both negative and positive emotions can be felt as a result of the service recovery act. A third variable we are interested in is emotion which is a “mental state of readiness that arises from cognitive appraisals of events or thoughts, has a phenomenological tone, is accompanied by physiological processes, is often expressed physically (e.g., in gestures, posture, facial features), and may results in a specific actions to affirm or cope with the emotion, depending on its nature and meaning for the person having it” (Bagozzi, Gopinath & Nyer, 1999, p184).

Fourth variable we are interested in is behavioral intentions. In our model, we look at both positive and negative behavioral intentions as an outcome of the service recovery act. The last variable in the model is relationship quality. In our model, we examine how the quality of the relationship will act as a moderator in the service failure and recovery process.

METHODOLOGY
Testing of our hypotheses is done in a structural equation-modeling framework. Data collection is done from service firms who have long-term interactions with other businesses. Multi-item measures for all variables in our model have been identified and will be used in data collection. Measurement models for each of the measures will the tested before including them in a full structural equation model with latent variables.

DISCUSSION
We hope to fill a gap in the literature in three important ways. One, we show that service failure recovery models can be applied to the B2B arena and empirically tested. Two, we add the literature on emotions and service recovery. Three, by adding the moderator of quality of the relationship, we hope to show how existing relationships affect the emotions and ultimately behaviors of buyers who undergo a service failure and service recovery. This research makes important contribution in the area of understanding emotions and its implications in the context of service failure and recovery.

REFERENCES
Consumer Ethical Identity: The Role of Personal Values in the Service Encounter
Sarah Mady, College of Business and Public Administration, Old Dominion University
Mahesh Gopinath, College of Business and Public Administration, Old Dominion University

INTRODUCTION

There has been a growing public concern about business’ social and ethical responsibilities (Coldwell, Billsberry, Meurs, & Marsh, 2008). Relatively few studies have examined ethical perceptions in the service transaction from the consumer’s perspective. The issue of whether the consumer perceives the service provider’s behavior as ethical and the impact such perceptions would have on consumer ethical judgment and intention to continue the relationship with that service provider has gained little attention. Even fewer studies have attempted to consider the consumer’s own ethical mapping and how this might impact consumer’s personal values as well as his/her processing of the corporate ethical identity. It has been observed that individual perceptions of corporate reputation and corporate ethical values generate specific individual organizational sense of fit (Coldwell et al., 2008). Using this logic we seek to address the following general research question: Do customers with compatible ethical values to those of their service providers fit more completely than those who perceive a mismatch between their ethical orientation and those of their service providers?

This study examines the basis for consumer satisfaction and uses the image theory as the underlying conceptual framework (e.g. Liedtka, 1989; Beach & Mitchell, 1985). Thus, we propose that the client’s own ethical identity and how it aligns with that of the service provider is a determinant of satisfaction and overall service quality. Our proposed model draws from the diverse research on personal values and corporate ethical identity (Berrone et al., 2007, Fritzche & Oz, 2007), as well as consumer ethics and service literature (Vitell et al., 2001, Fullerton et al., 1996). We introduce a new construct called the Consumer Ethical Identity to create a more comprehensive understanding of relationship marketing in the context of services transactions. The main argument is that the consumer’s personal values will be a part of his/her ethical identity. This ethical identity will influence both perceptions of the organizational ethics as well as the overall judgment of the service encounter, which in turn determines the degree of satisfaction. Additionally, whether or not the consumer’s own ethical identity matches that of the organization will have an impact on the overall judgment of the service encounter. This means that the tighter the fit between consumer and corporate ethical identity, the higher the ethical judgment and level of satisfaction with the entire service encounter.

Personal Values, Image Theory, and Congruity Theory

Researchers argue that personal values provide the basis for the development of individual attitudes that lead to specific decision making behavior (Fritzche & Oz, 2007). According to image theory decisions are often made by the decision-maker assessing the congruity, or fit, between the proposed course of action and their self-image (Liedtka, 1989). Self-image “consists of principles that dictate which goals the decision-maker pursues... who one is, and what one regards as appropriate and comfortable for oneself” (Beach & Mitchell, 1985). These images arise from both self-perception and the value system of the individual. We take this one step further and argue that the degree to which the consumer’s own ethical identity and his/her fit (or lack of) with the organizational ethics will impact their ethical judgment and level of satisfaction. Heit (1998) hypothesized that incongruence leads to more elaborate processing because of the perceiver’s greater efforts to generate an explanation for the incongruent individual’s behavior.

Hence we argue that the potential fit between consumers’ own ethical values and the service providers’ ethical image can lead to stronger relations and higher satisfaction. A business may not have “good” ethics, but consumers who have similar ethical values will prefer doing businesses with them. This paper argues that customers search for evidence to judge the intangible qualities of a service provider (whether retail or professional), including the ethics of the service provider, and that one’s own ethical identity will lead to judgment of the service and ultimately, the satisfaction or dissatisfaction with the service encounter.

Hypotheses

We argue that culture, gender, education, religion, moral development, and ethical norms create one’s ethical goals, values, practices, and communications.

H1: Consumers’ cultures, gender, education, religion, ethical norms, and personalities will lead to different ethical identities.

We argue that consumer’s personal values will help shape what we call the “consumer ethical identity”, and this in turn will play a role in forming consumer’s ethical judgments and satisfaction with the service provider.

H2: Consumers rely on personal values in forming their ethical identities.

We also argue that a consumer’s ethical identity will ultimately play a role in overall satisfaction with the service experience.

H3: Consumer ethical identity will impact his/her satisfaction with the service encounter.

Corporate Ethical Identity (CEI) refers to the “set of behaviors, communications, and stances that are representative of an organization’s ethical attitudes and beliefs” (Berrone et al., 2007, p. 37).

H4: Consumers with congruent ethical identities will have a higher perception of corporate ethical identity.

H5: Consumers with congruent perceptions of corporate ethical identity will be more satisfied with the service encounter.

H6: Congruency between consumer ethical identity and corporate ethical identity generates high perceived service quality.

This proposal argue that consumer’s ethics as well as his/her perceptions of ethical behavior will be an antecedent to the level of satisfaction with the overall service experience. This in turn, will have a positive impact with overall service quality. This hypothesis confirms previous extensive research on relationship between service quality and satisfaction, but in the context of consumer ethical congruency.

374 Advances in Consumer Research (Volume VIII), © 2008
H7: Customer satisfaction will be positively related to perceived service quality.

Methodology
A student sample will be used for data collection. Scenario construction method will be used for stimulus presentation. Personal value will be measured using modified Swartz value scale (Stern, Dietz, & Guagnano, 1998). Corporate ethical identity will be measured by averaging the corporate revealed ethics and corporate applied ethics (Berrone, Surroca, & Tribo, 2007).

Conclusion
This study is an attempt to shed light on the role of consumer ethical identity in assessing the overall service experience. In doing so, we attempt to contribute by identifying the difference between corporate ethical identities and the manner in which such image is perceived.

REFERENCES
Private Label Brands (PLBs)—often referred to as “store brands” or “own brands”—are defined as brands owned, controlled, and sold exclusively by a retailer (Raju et. al 1995). Research suggests that PLBs may (1) help differentiate the store itself versus competition and possibly increase consumer loyalty (Corstjens and Lal 2000, Grewal et. al 2004, Collins-Dodd and Lindley 2003), (2) help retailers increase their power vis-à-vis national brand (NB) manufacturers (e.g., Chintagunta et. al 2002), and (3) in some cases, increase category profits (Ailawadi and Harlam 2004). Accordingly, PLBs have seen explosive growth and increasing consumer acceptance, with retailers are increasingly engaging in de facto PLB “brand management.”

PLBs offer benefits, but also risks which national brand manufacturers have faced for decades. Brands have long been affected by scandals of various scope and impact, often affecting consumers. Examples of consumer-based brand scandals include tainted Tylenol products killing seven people in 1982, Beech Nut company leaders being convicted of selling sugar water as apple juice in 1987, and E.Coli-tainted Taco Bell products sickening dozens of consumers in 2006. Given intense retailer focus on PLBs and peripheral factors (e.g., lesser control over the manufacturing process versus national brand manufacturers due to a single retailer potentially sourcing products from hundreds of different suppliers) there is strong potential for a major PLB scandal. This paper investigates the commonalities and differences of a PLB scandal vis-à-vis a national brand scandal.

We posit that PLB and NB scandals will have decidedly asymmetrical consumer-evaluative spillover effects. No other brand has the breadth of a PLB (especially when retailers use their own name across a wide variety of products), and PLB products are typically viewed by consumers as inferior in quality (or at best, quality-equivalent) with NBs in the same category. Therefore, we would expect a scandal on a PLB to have limited consumer diagnosticity on within-category NBs and on the affected category itself, as typicality is low. However, within a retailer, a PLB scandal should have the potential for more consumer spillover across categories to other PLB products because there is a PLB offering (often branded exactly the same way, with retailer’s equity) in nearly all categories. Park et. al (1991) write that “category members may “hang together” because they are understood to share some concept” (pg. 186). For a group of PLBs, this shared concept will be the consumer-transparent (thus driving typicality) fact that they are retailer own-brands (we explore less transparent PLB strategies later in the paper).

REFERENCES

Asymmetric Consumer Responses to National Brand and Private Label Brand Scandals
James Mark Mayer, University of Georgia, Athens, GA, USA
Piyush Kumar, University of Georgia, Athens, GA, USA

ABSTRACT
Private Label Brands (PLBs)—often referred to as “store brands” or “own brands”—are defined as brands owned, controlled, and sold exclusively by a retailer (Raju et. al 1995). Research suggests that PLBs may (1) help differentiate the store itself versus competition and possibly increase consumer loyalty (Corstjens and Lal 2000, Grewal et. al 2004, Collins-Dodd and Lindley 2003), (2) help retailers increase their power vis-à-vis national brand (NB) manufacturers (e.g., Chintagunta et. al 2002), and (3) in some cases, increase category profits (Ailawadi and Harlam 2004). Accordingly, PLBs have seen explosive growth and increasing consumer acceptance, with retailers are increasingly engaging in de facto PLB “brand management.”

PLBs offer benefits, but also risks which national brand manufacturers have faced for decades. Brands have long been affected by scandals of various scope and impact, often affecting consumers. Examples of consumer-based brand scandals include tainted Tylenol products killing seven people in 1982, Beech Nut company leaders being convicted of selling sugar water as apple juice in 1987, and E.Coli-tainted Taco Bell products sickening dozens of consumers in 2006. Given intense retailer focus on PLBs and peripheral factors (e.g., lesser control over the manufacturing process versus national brand manufacturers due to a single retailer potentially sourcing products from hundreds of different suppliers) there is strong potential for a major PLB scandal. This paper investigates the commonalities and differences of a PLB scandal vis-à-vis a national brand scandal.

We posit that PLB and NB scandals will have decidedly asymmetrical consumer-evaluative spillover effects. No other brand has the breadth of a PLB (especially when retailers use their own name across a wide variety of products), and PLB products are typically viewed by consumers as inferior in quality (or at best, quality-equivalent) with NBs in the same category. Therefore, we would expect a scandal on a PLB to have limited consumer diagnosticity on within-category NBs and on the affected category itself, as typicality is low. However, within a retailer, a PLB scandal should have the potential for more consumer spillover across categories to other PLB products because there is a PLB offering (often branded exactly the same way, with retailer’s equity) in nearly all categories. Park et. al (1991) write that “category members may “hang together” because they are understood to share some concept” (pg. 186). For a group of PLBs, this shared concept will be the consumer-transparent (thus driving typicality) fact that they are retailer own-brands (we explore less transparent PLB strategies later in the paper).

This contrasts with NBs, which are generally viewed by consumers as representative of a category, and as superior to PLBs (which often are classified as imitations of NB) and therefore become much more diagnostic of the category, and other brands within. However, the nature of a brand scandal is that in terms of spilling over to disparate categories, there is not a unifying feature (like there is with PLB same-name) that would provide consumers a linking mechanism to major brands in different categories. Even when the same national brand name is present across these categories, the quality assurances of a leading national brand preclude consumers from assigning across-category spillover.

The most obvious difference between PLB and NB scandals—and perhaps the most crucial spillover effect in terms of retailer concern—would be a spillover back to the retailer itself. Much like national brands, retailers have retailer brand concepts (i.e. images) that they create, for example, by “attaching unique associations to the quality of their service, their product assortment and merchandising, pricing and credit policy, etc.” (Ailawadi and Keller 2004, pg. 332), and PLBs are often a direct extension of the retailer’s equity to its consumers.

We also hypothesize that consumers’ perceived risk mediates the scandal process. Risk has been shown to be a key driver of PLB acceptance since PLB purchases in a category increase when consumers perceive reduced consequences of choosing the wrong brand in that category (Batra 2000) and risk tolerance has also been shown to be a major driver of PLB acceptance (Erdem et. al 2004).

We explore this phenomenon in a serious of between subject experiments using fictitious brands. We extensively pretest our study stimuli, and in Study One we explore the differences between consumer-evaluative spillover between national brand and PLB-based scandals and the role of typicality: early results indicate strong support for the arguments outlined above. In Study Two we explore the situation where a scandal affects both the national brand and PLB (a likely scenario given frequent PLB manufacturing by national brand companies). In Study Three we plan to explore different PLB branding strategies, hypothesizing that scandals spill over more onto retailer’s own equity when retailer’s name (or an associated equity) is used versus if a pseudo-national brand name (non-related equity) is used.. However, we hypothesize that the use of category-sub-branding (e.g., FoodMart DairyFresh) can inhibit the spillover onto PLBs in different categories and have lower spill over onto the overall retailer equity than without sub-branding.

This paper represents a first step at exploring the negative consumer-based retailer “side effects” of the massive focus on PLBs. Examples of these risks include consumer dissatisfaction (and possible spillover effects), brand concept (i.e. brand image) erosion due to a mismatch with PLB, and failed new product launches.


An essential component of every economic transaction is the subjective value computation of how much resources (e.g. energy, money) resources one is willing to give up in order to obtain a reward or to avoid experiencing a punishment (so-called decision values (DV)). Despite its pervasiveness, little is known about how the brain makes this computation. In a series of previous studies that employ neuroscientific methods (e.g. functional magnetic resonance imaging (fMRI)), we investigated the neural basis of the DV computation by scanning subjects’ brains using fMRI while they placed real bids for the right to eat liked foods or the right to avoid eating disliked foods. We found that activity in the medial orbitofrontal cortex (mOFC) and in the dorsolateral prefrontal cortex (DLPFC) encodes subjects’ appetitive as well as aversive DV for the items (Plassmann et al. 2007, Plassmann et al, (under review)). Whereas the mOFC is thought to be involved in the computation of decision values based on previous findings in humans and animals, the role of the rDLPFC in choice is unknown.

To address the question of what role the DLPFc is playing in DV computations, we conducted an experiment using rTMS to transiently disrupt neural activity in the rDLPFC and active control area (left DLPFC) and an inactive placebo area. We elicited two different measures of the decision value of eating 50 different junk food items (e.g., candy and chips) at the end of the experiment, one before applying rTMS, and another after the stimulation while subjects brains were scanned using functional magnetic resonance imaging (fMRI). The logic of the experiment is simple. When there is no measurement error in DV, and the rTMS procedure has no effect on value computation, then the two measures should be equal to each other. In contrast, if the rTMS procedure downmodulates the computation of DV, we would expect that the bids would be a flattened function of the liking-ratings. Our hypothesis was that rTMS of the rDPFC should downmodulate the DV computation as compared to our control conditions. This is exactly what we found.

In this study we show that repetitive transcranial magnetic stimulation (rTMS) designed to suppress the excitability of the rDLPFC downmodulates the computation of decision values during a simple economic decision-making task.

Part of the research agenda in Neuroeconomics is to understand how does the brain evaluate potential goals and outcomes at the time of decision-making, and how do other cognitive, emotional, and social processes affect the computation of economic value. A first step in this research agenda is to understand what are the brain structures responsible for the computation of value in simple everyday choices. Our results suggest that the mOFC and the DLPFC are a place where a variety of variables computed in other brain regions are integrated into a single representation of DV. If this hypothesis is correct, other brain processes may be able to influence decision-making by modulating activity in the mOFC and DLPFC.
Framing Interacts With Political Affiliation to Predict Environmentally-Relevant Purchase Preferences

David Hardisty, Columbia Universith
Eric Johnson, Columbia University* Elke Weber, Columbia University

ABSTRACT

582 Americans chose between pairs of options in different product categories. One option offered a product at some price; the other offered the same product at a somewhat higher price that included a payment for carbon emissions, which was called either a carbon tax or a carbon offset. 52% of participants given the offset frame, but only 39% in the tax frame preferred the more costly product. Furthermore, frame interacted with participants’ political affiliation. Democrats’ choices did not differ between frames, while roughly twice as many Republicans preferred the more costly product in the offset frame than in the tax frame.

Background

Economists and climate scientists agree that a carbon tax would be the single most effective measure the US could take to reduce greenhouse gas emissions. While discussion of such a tax are virtually non-existent in the political sphere, many individuals voluntarily purchase carbon offsets, which raise the costs of activities such as air travel but promise to negate carbon emissions produced by that activity through the funding of carbon reducing activities. The present research investigated whether alternatives of framing of such costs as either taxes or offsets could influence their acceptability.

Behavioral decision research has documented the power of attribute framing to influence preferences (Levin & Gaeth, 1988). Query theory (Johnson et al, 2007; Weber et al, 2007), posits that framing or other task characteristics determine the number and order of thoughts in support or against each choice option, and that the balance of support determines a person’s preference in a given situation. The present research tested whether manipulating the frame affected the number and order of thoughts supporting different actions, and in turn predicting choice.

Most studies of contextual effects on choice treat individual variation as noise, but stable differences have been shown to interact with attribute framing to determine choice (Braun, Gaeth & Levin, 1997). Jost (2006) established the importance of political ideology for determining opinions and choices. We predicted tax or offset framing to interact with individuals’ pre-existing political orientation, with the word “tax” having more negative connotations and effects for more conservative individuals.

Methods

582 US residents (mean age = 40, SD = 11), from a range of educational, occupational, ethnic, political and financial backgrounds, were recruited and surveyed on the internet.

In Study 1, participants read a description of a hypothetical carbon tax or offset program, which were described similarly except for the label. They were presented with 4 pairs of products: airline tickets, brands of gasoline, electricity suppliers, and laptop computers. In each pair, one option was more expensive, but included a carbon offset or tax (i.e., Ticket A, a $352.70 round trip ticket which includes carbon offsetting vs. Ticket B, a $345.00 round trip ticket). Offset and price framing were manipulated between-subjects. Product and offset prices reflected market rates for real products. Participants chose one each option in each pair and indicated their strength of their preference. Participants then completed a questionnaire measuring demographics and environmental attitudes.

Study 2 used the design of Study 1, with a few changes. The carbon offset or tax measures were defined identically, except for the description as tax or offset. Prior to their first choice, participants listed their thoughts, using a proven “type aloud” aspect listing protocol (Johnson et al, 2007; Weber et al, 2007). After making their choices, participants coded their (previously listed) thoughts to indicate whether each one supported or opposed either of the two products.

Results

Average purchase preferences varied by product, with a greater proportion of participants preferring the carbon tax/offset surcharge for infrequently purchased products (flight ticket (.54) and computer (.51)) than for frequently purchased products (gasoline (.35) and electricity (.43)). (All reported effects are significant at p<.05).

Labeling the more expensive carbon-reduction priced product as a carbon offset led to significantly higher purchase preferences. 52% of participants in the offset frame vs. 39% in the tax frame chose the more expensive product. Preferences were also predicted by political party. Participants identifying as Democrats chose the carbon tax/offset product 54% of the time, compared with 33% for Republicans and 45% for Independents and Other.

The effects of frame and party on choices were qualified by a significant frame-by-party interaction. Democrats’ choices were not affected by the framing, while Independents showed a moderate framing effect and Republicans a strong effect, with more choices of the more expensive alternative in the offset frame.

Environmental attitudes also predicted choice, but did not interact with frame. Although political party predicted environmental attitudes (with more pro-environmental attitudes among Democrats than Independents than Republicans), the effects of frame, party, and the interaction remained significant even after accounting for the variance explained by environmental attitudes.

The valence, number, and order of participants’ thought listings predicted choices. A logistic regression model with three predictors (number of thoughts favoring the carbon reducing product, number of thoughts favoring the other cheaper product, and clustering of such thoughts) accounted for 52% of the variance in choices. Number and order of thoughts for and against each option were predicted by party affiliation and the frame-by-party interaction. Number of thoughts supporting or opposed to the environmental product were correlated with order, such that people who listed more supporting thoughts were also likely to list supporting thoughts earlier, while those who listed more opposing thoughts were likely to list opposing thoughts earlier. The interaction and effect of party affiliation on choices were fully mediated by the number and order of thoughts. That is, party affiliation and the interaction had no effect on choice when number and order of thoughts were included in the regression model, and Sobel tests were significant.

Advances in Consumer Research (Volume VIII), © 2008
REFERENCES


The Impact of Culture on Product Evaluations: A Dialectical Perspective
Yosihiko DeMotta, Baruch College, The City University of New York
Mike Chen-ho Chao, Baruch College, The City University of New York
Thomas Kramer, Baruch College, The City University of New York

There are many differences in thinking styles between Western and Eastern cultures. In this study, we investigate the consumers’ resolutions of conflicting product information and examine the role of culture in this process. Specifically, we expect that the degree to which an individual uses a “dialectical thinking” to resolve conflicts may influence consumers’ product evaluations.

Dialectical thinking, which is rooted in ancient Chinese philosophical traditions, refers to the cognitive tendency that accepts, tolerates, and seeks to resolve contradiction (Peng and Nisbett 1999). Although dialectical thinking is not limited to East Asian cultures, this phenomenon is not represented in Western society as deeply as in East Asian society (Peng and Nisbett 1999).

CULTURE AND DIALECTICAL THINKING

Western systems of thought are in large part rooted in the traditions and philosophy of ancient Greece, which emphasize three principles of Aristotelian logic: the law of identity (A equals A is always true because A and A are identical), the law of non-contradiction (A cannot equal not A because no statement can be both true and false), and the law of the excluded middle (there is no middle term in two contradictory arguments) (Peng and Nisbett 1999). Distinct from this Western formal logic, East Asian thinking process is represented in dialecticism that is influenced by Chinese philosophical traditions such as Confucianism and Daoism. Dialectical thinking is based on three basic principles: the principle of change (existence is in constant flux and changeable), the principle of contradiction (two opposing arguments can be both true), and the principle of holism (nothing is isolated, but everything is connected) (Peng and Nisbett 1999).

Based on the disparity of thinking styles between Western and Eastern societies, Peng and Nisbett (1999) found that Chinese people, in contrasts with Americans, are more likely to use dialectical thinking to avoid conflicts by taking a compromised approach to resolve the social conflicts. Chinese people also tend to prefer arguments based on holistic principles over arguments based on the rule of non-contradiction, and are more likely than their American counterparts to accept two opposing arguments as both true. Because of this compromised approach, we propose that for the subsequent product evaluation, East Asian individuals compared with Western individuals are more likely to include opposing sides of an argument and are less likely to offer a one-sided (either strictly positive or negative) product evaluation.

Proposition 1: Upon exposure to conflicting product information, the higher the degree of dialectical thinking, the more modest the subsequent product evaluations.

PRODUCT KNOWLEDGE

Individuals may not only compare two inconsistent arguments, but also may utilize their knowledge of the product category and past experience, if any, during the decision process. As a consequence, dialectical thinking can be accessible for consumers of both cultures. Dialectical thinking is not limited to East Asian cultures (Peng and Nisbett 1999). In Western society, it is suggested that dialectical thinking can be developed with age (Basseches 1980). Based on this notion, we suggest that dialecticism can occur among consumers who are highly knowledgeable of a particular product, and that these consumers’ product evaluations can be more holistic than otherwise. With their high degree of the relevant knowledge needed to carefully scrutinize advertising arguments, they may expect that no product is really perfect, but that one brand may be better with regard to certain attributes than the other, and vice versa. Thus, when product knowledge is high, Western individuals may approach contradictory product information more dialectically than when it is low.

Proposition 2: When product knowledge is high versus low, Western individuals will use a more dialectical approach to resolve inconsistency, whereas the level of product knowledge has no effect on dialectical approach used by East Asian individuals.

MOTIVATION

Do East Asian individuals always think dialectically? In order to assess this question, we will first evaluate how people in the West process conflicting arguments. According to the heuristic-systematic processing model, people must be motivated to expend the effort that systematic processing entails (Chaiken 1980). Thus, when people are not motivated, they will process information heuristically by using only available information to make quick and efficient decisions. According to Maheswaran and Chaiken (1991), however, when people are not motivated and are presented with two pieces of conflicting information, their confidence in the heuristic-based judgments is undermined, and they step up systematic processing effort to attain sufficient confidence level. Therefore, regardless of the motivation level, people tend to process two pieces of inconsistent information systematically.

We do not expect this is the case for East Asians, however. With their dialectical thinking that accepts contradiction, when East Asians are not motivated, it is likely that they process contradictory information heuristically. We propose that when the motivation is high, East Asians will engage in systematic, effortful analyses of the arguments, rather than relying on heuristics. As a result, dialectical processing will be undermined.

Proposition 3: In a high-motivation setting versus a low-motivation setting, East Asian individuals will use a less dialectical approach to resolve inconsistency, whereas the level of motivation has no effect on the resolution approach used by Western individuals.

REFERENCES


Factors Responsible for the Small and Medium Scale Indian IT Entrepreneur’s Ability to Global Advertising Standardization in Japan and the United States: A Closer Examination of High-involvement Products.

Melina Hurst Young, Jay Ray Advertising
Eugene Sivadas, University of Washington, Tacoma

ABSTRACT

The question of whether to standardize or adapt advertising internationally remains a matter of great importance to researchers and practitioners. While studies have compared the use of standardization between high-involvement and low-involvement categories, research within either of these categories is limited. In general, researchers have concluded that high-involvement products generally have more standardized advertisements than low-involvement products. This paper compares the standardization levels between different high-involvement product categories. We examine high-cognition and low-cognition high-involvement products. The research questions are examined via content analysis of print advertisements of highly circulated American and Japanese magazines using a framework developed by Harris and Attour (2003). A modified coding scheme was developed for advertisements that contained no text. Results indicate that ads for low-cognition high-involvement products are more likely to be standardized across these two cultures than ads for high-cognition high-involvement products. Second, prior research has suggested that television advertising is more likely to be standardized than print advertising, but little is known about what type of print advertising is more likely to be standardized. We find that picture ads are more likely to be standardized than ads containing text.

EXTENDED ABSTRACT

Companies that standardize their advertising across the globe have a lot to gain through decreased costs, increased efficiency, a uniform global image and better ability to develop ideas to their full potential (Mueller 1992). Advertising is standardized when elements such as copy and visuals are kept the same across countries (Nelson and Paek 2007). Thus, it is not surprising that the question of advertising standardization has received a great deal of attention from researchers (cf. Boddewyn, Soehl, and Picard 1986; Kripalani, Laroche, and Darmon 1988).

While standardization is more cost effective than adaptation, some messages may not transfer well between cultures. The question of what to standardize, as well as how much, are very real concerns for marketers (Mueller 1991). While many studies have compared high and low-involvement products, there has been little emphasis on variation of standardization within either of these categories. The objective of this paper is to examine if different cognition levels and types of advertisements (picture versus text) affect standardization of high-involvement products. This study looks at the print advertisements from two countries, the United States and Japan. Japan is an ideal comparison country because on the one hand it is affluent, economically well-integrated with the United States and has a large and mature advertising market while on the other hand it has very different cultural traditions (Hall 1976).

While it has been suggested that advertising for high-involvement products tend to be more standardized and differences in standardization have been noted across product categories, most such efforts have compared the difference between high and low-involvement products (cf. Mueller 1991). Less attention has been paid to differences in standardization across various categories of high-involvement products. Second, prior research (cf. Mueller 1991) suggests that television (visual medium) has greater standardization than print (textual medium). However, less is known about differences in standardization across various types (visual versus textual advertising) of print advertising. While research in consumer behavior suggests that recall and attitude influence is greater for advertising with pictures (cf. Mitchell and Olson 1981; Unnava and Burnkrant 1991) little is known about whether this element has an influence on advertising standardization.

To address these questions, we used the content analysis methodology. This technique is widely used in the global standardization context (cf. Mueller 1991; Harris and Attour 2003; Whitelock and Chung 1989). Since our study focuses on different types of high-involvement products, we selected three high-emotion/low-cognition product categories: jewelry, apparel (clothing and shoes), and accessories (purses and other accessories). The jewelry category excludes watches, which are included in the high-cognition section. High-emotion/high-cognition focuses on the following three product categories: electronics, watches and automobiles. Watches are not included in the jewelry section because they provide more function than traditional jewelry and therefore more cognitive thought is put into the purchase of a watch.

We selected popular, widely circulated magazine titles from both countries. From the United States we selected three women’s magazines Cosmopolitan, Elle, and Vogue, two business magazines Forbes and Fortune, two men’s magazines GQ, and Men’s Health, and the cultural magazine Vanity Fair. From Japan we selected two high-end women’s magazines Ginza and Glitter, and additionally Elle Japan. We selected four men’s magazines Huge, Goethe, Leon, and Sense and the business magazine Forbes Japan. An American National with a degree in Japanese Linguistics currently working in Japan translated the text for all the ads that were analyzed. We analyzed print ads published in these magazines during one single calendar month. We used a modified version of the coding scheme developed by Harris and Attour (2003) (See Appendices A and B). We have developed a second coding scheme to allow for the advertisements that do not have text. After reviewing all of the advertisements published in these 15 magazines during one calendar month we found there were 81 matches. A match is created when a brand is advertised in both countries. 32 of these advertisement matches fell into the high-cognition category, while 49 were low-cognition. 52 of the matching advertisement pairs were scored using the “Picture” coding scheme, while the remaining 29 fell into the “Text” category. There were a total of 47 brands represented including: Citizen, Dolce & Gabbana, Louis Vuttion, Prada, and Volkswagen.

The mean standardization score of the high-cognition advertisements was 38.37, compared with 73.04 for advertisements of low-cognition products. Remember, a score of 100 indicates perfect standardization. In other words, a low-cognition advertisement is almost twice as likely to be standardized than one for high-cognition products. A t-test indicates that the differences between these means are significant. Text advertisements have a mean standardization score of 32.10.
Advertisements with no text, other than the brand name, have a mean standardization score of 73.04. A t-test has determined that these results are significantly different.

Our research demonstrates that within the category of high-involvement products, low-cognition product advertising is significantly more likely to be standardized. While a content analysis study does not allow us to explore why such differences exists between low and high-cognition high-involvement products, we would conjecture that the differential processing of information and different psychological meanings of the two products might be contributors (cf. Friedman 1986).

Second, we find that picture ads tend to be more standardized than text ads. Mueller (1991) found that television advertising tends to be more standardized than print advertising. She conjectured that the economics of television advertising production made it more worthwhile to standardize it than print advertising which was less costly to produce. We offer an alternate reasoning that the visual elements are easier to standardize as compared to the textual elements. Thus, not only does the visual element of advertising aid recall and have greater influence on attitudes (cf. Mitchell and Olson 1981; Unnava and Burnkrant 1991), it is also easier to standardize.

REFERENCES


World Fact Book (2007), Washington D.C., Central Intelligence Agency

The Impact of Meaningless Differentiation on Inaction Inertia
Piyush Kumar, University of Georgia, USA*

Consumers often turn down purchase opportunities where a product is available at a discounted price that is attractive but not as low as a previously foregone lower price. This tendency, termed inaction inertia (Butler and Highhouse 2000; Tykocinski, Pittman, and Tuttle 1995), exists because consumers experience regret that arises from this upward counterfactual comparison of the current opportunity and a previous superior opportunity that is no longer available. They reject the current opportunity, despite its merits, and continue to remain in a state of inaction in an attempt to shield themselves from the nagging counterfactual thoughts and feelings of regret that would follow if they were to act (Arkes, Kung and Hutzel 2002).

In this paper, we suggest that the addition of a merely a trivial attribute (Brown and Carpenter 2000; Carpenter, Glazer, and Nakamoto 1994) to the current product may be sufficient to suppress inaction inertia that may arise from an adverse price comparison. We argue that trivial attributes help set up counterfactual constraints that inhibit the consumer’s ability to automatically use the foregone price opportunity as a counterfactual to the current one (Seelau et al. 1995). Further, these attributes provide a silver lining or an offsetting, redeeming feature that can help customers make the best of an otherwise negative psychological situation.

We test our propositions using data from four studies where we manipulate the features and prices of the current and foregone products and examine the impact on the level of regret and the likelihood of purchase. The collective results from these studies show that the addition of a trivial attribute to the current product restores purchase likelihood that is otherwise suppressed if there is a large difference between the current discounted price of a product and a previous lower price that the customer failed to take advantage of. We also show that the restoration of purchase likelihood is driven by the reduction in the level of regret that results from having missed a previous lower-price opportunity. However, the subtraction of a trivial attribute from a current product when it was present in the foregone product does not exacerbate inaction inertia and does not have and incremental adverse effect on purchase likelihood. We conclude that much like a trivial attribute influences brand choice, it can also influence purchase timing by increasing the likelihood that the customer will take advantage of a good price discount after foregoing a better one.

These finding extend the research on inaction inertia to a two-dimensional feature space. We show that while a comparison of the current and the foregone opportunities on one dimension, say price, may induce inaction, even a trivial separation between them on a second dimension might be sufficient to mitigate it. They also extend the research on trivial attributes from the domain of brand choice to the context of purchase timing. We show that, much like a trivial attribute can increase product differentiation and influence choice probability, it can also influence the comparison between current and past opportunities and impact the likelihood of purchase on a given occasion. These results provide a complementary perspective to Brown and Carpenter’s (2000) finding that meaningless differentiation facilitates decision resolution by providing a reason to prefer one option over others that are concurrently available. We show that when a customer is motivated to reduce dissonance caused by a failure to previously take advantage of a better opportunity, a trivial attribute can provide a reason to buy rather than forego a current purchase opportunity.

A key implication of our findings is that trivial attributes can be utilized to manage purchase incidence when the depth of discount offered on a product’s price varies significantly over time. In such a situation, a synchronization between the feature set and the price schedule of the product such that trivial attributes are deleted when discounts are deep and added back when they are shallow may help manage sales at both price levels.

REFERENCES
The Effect of Cross-Group Contact On Consumer Response To Advertisements
Sonya A. Grier, American University
Rohit Deshpande, Harvard University

EXTENDED ABSTRACT
Research based on the contact hypotheses (Allport, 1954; Foster & Finchilescu, 1986) demonstrates that cross-group contact, e.g. the extent of contact a consumer has with members of other groups, can lead people to have more favorable attitudes towards members of another group. The fundamental idea is that cross-group contact provides people with the opportunity to discover that they share the same basic values and attitudes (Mynhardt, 1991). The influence of cross-group contact as a source of attitude change is well established in the social psychological literature.

Cross-group contact is also a feature of contemporary marketplaces, most with increasing socio-cultural diversity. As a result, cross-group contact is potentially important to consumer research as an influence on consumer response to advertising and other marketing strategies. And cross-group contact, unlike some social-contextual factors, can be influenced through marketing strategies. Some communication scholars have recently suggested that mediated contact influence attitudes towards specific groups (Ortiz & Harwood, 2007). However, no research has examined cross-group contact as a factor in consumer persuasion or response.

In this research we examine whether cross-group contact influences consumer response to advertisements featuring individuals of different races. The basic hypothesis is that because contact can increase “liking” for a group it may also influence responses to targeted advertisements that feature spokespersons of other races. We ask three specific research questions: 1) what is the nature of contact between groups of different races? 2) how, if that all does that contact affect persuasion? and 3) what factors moderate the process? We explore the basic hypothesis that cross-group contact can increase liking of other-group ads. We also examine moderating factors, with a focus on cross-group identification as a key mechanism. Cross-group identification captures the extent to which an individual identifies with a group other than one of which they are a member.

We conducted a field experiment with 176 English-speaking women in South Africa. Subjects’ ages ranged from 18-45 years old, and all had the equivalent of at least a U.S. high school education. In South Africa cross-racial contact was patterned for many years as a result of the Apartheid system. With this system, racial categorization was a defining feature of life for all South Africans. Four key categories defined the population in terms of race: Africans/ Blacks (75%), Asians (3%), Coloured (9%), and Whites (13%). The apartheid ideology institutionalized group differences, which circumscribed the role of racial characteristics in every person’s life and still exists in everyday consciousness as a historical legacy (Adam, 1995; Foster & Finchilescu, 1986). Further, South Africa represents a microcosm of major global trends, and this “laboratory of poly-ethnic group relations may teach the rest of the world a lesson of multi-ethnic coexistence” (Adam 1995).

The design of the experiment involved a 2 (Subject Race: black or white) x 2 (Ad Spokesperson Race: black or white) between-subjects factorial design. At a national level in South Africa, Blacks are the numeric majority (75%) and whites are a minority (13%). We recruited half of our subjects from one city, Johannesburg, where blacks are in the majority (63%) and whites in the minority (30%), and half from a second city, Capetown, where whites are a relative majority to blacks (whites = 24% and blacks =18%). Subjects’ race was measured by the emic self-report method of ethnic identification, following prior consumer behavior work (Deshpande, Hoyer, & Donthu, 1986; Stayman & Deshpande, 1989). This measure allowed subjects to check the racial group to which they belonged, or to write-in one that was not listed.

As stimuli, we used identical advertisements from each of two current print advertising campaigns that varied only in their use of black or white models. A questionaire was developed in consultation with psychological, consumer and marketing researchers, and pre-tested among a separate group of subjects to ensure clarity, comprehension and cultural relevance. Dependent variables included cross-group contact with reference to participants neighborhood, work and, friendship environments, attitude towards the brand, attitude towards the ad, and purchase intent.

Results suggest that increased cross-group contact can prompt either positive or negative attitudes to the ad and brand depending upon the race of the subject and/or advertisement. For blacks, increased contact seems to increase positive attitudes towards the white advertisement. Conversely, for whites, increased contact seems to create more negative attitudes towards the black advertisement. Results also suggest that cross-group identification may drive the effects of cross-group contact on ad and brand attitudes. Having friends in more racial groups leads to more cross race identification, which influences ad and brand attitudes. There were similar effects of contact in the neighborhood and at work. Further, the data show that cross-race identification occurs in terms of both the advertisements and the model in the advertisements. Findings also demonstrate that more cross-racial contact can lead to either other identification or other dis-identification, depending upon the race of the subject. Generally, cross-group contact with friends who are members of other races appears as the most important contact variable (relative to contact at work or in the neighborhood).

Results highlight how daily social interactions in communities, the workplace and friendship circles all serve as cultural contexts which provide the referent or interpretive framework by which people make sense of their experiences organize their actions and influence their consumer responses. Results are consistent with prior literature suggests that contact among friends has more influence as a contact variable than work or neighborhood because of the choice element. Findings will contribute to our understanding of how social context and dynamics influence consumer response to marketing efforts. Findings will also contribute to transformative consumer research efforts. As we better understand how social dynamics influence consumer response, we can enrich and extend our theories to better explain, and predict consumer behaviors in our dynamic marketplaces.

385 Advances in Consumer Research (Volume VIII), © 2008
REFERENCES
How is satisfaction affected by spending time having fun vs. spending time in boredom?

Chunyan Xie, Stord/Haugesund University College
Sigurd V. Troye, Norwegian School of Economics and Business Administration

EXTENDED ABSTRACT

Previous research tells us that people show systematic difference in evaluating expenditure of money versus time (Hsee 1995, Okada and Hoch 2004). The opportunity cost of money is easy to assess, whereas the opportunity cost of time is more ambiguous. The greater ambiguity of the value of time allows people to be more flexible in their evaluation of time. The purpose of this study is to replicate and extend an experiment by Okada and Hoch (2004) on ex post evaluation of money versus time expenditure. In their study the experimental treatment consisted in whether 1) subjects receive an offering as a compensation for time spent doing a job, or 2) exchange their own money for the offering. In contrast to the original Okada and Hoch-study where subjects were compensated for doing one (presumably boring) task, we vary the nature (“boring” versus “interesting”) of the activities that subjects engage in to assess whether this treatment affects subjects’ satisfaction with the offering. The insight on value evaluation of spending money versus spending time in different ways will help us better understand consumers’ choice behaviour between outsourcing an activity and doing it themselves.

“When the consumption experience turns out bad, people will have an easier time rationalizing an expenditure of time than money because the value of time is more labile and easier to write off” (Okada and Hoch 2004: 314). Therefore, we partly replicate the Okada and Hoch’s study by first testing the proposition that difference in satisfaction between positive and negative outcomes will be attenuated with time payments. Moreover, we posit that the way people spend their time also will affect their evaluations. For instance, in addition to various extrinsic values, the activity people engage will provide intrinsic values (Holbrook 2000) as well. Such intrinsic values could be fun, excitement, and enjoyment in doing the activity, which is similar to the positive experiences one gets from leisure activities (Unger 1983). We expect such intrinsic values to affect people’s evaluation on their time expenditure. Especially, when the consumption experience turns out bad, we expect people to use these positive intrinsic values to compensate for the negative outcomes. Thus, in the second hypothesis, we test the main effect of the activity’s level of excitement/enjoyment on their satisfaction with the offering they receive as compensation. Especially, under the condition of poor quality of the received offering, we expect satisfaction to be affected by the nature of the task.

The design of the first experiment was a Latin square crossing two levels of product with three levels of currency. 163 undergraduate students participated in the first experiment. They completed a questionnaire presenting two scenarios that described a consumption experience of a product they acquired through either spending money or time. There are three levels of currency: money, time spent on interesting activity (surf internet and evaluate websites), and time spent on boring activity (data entry). In the time condition of the experiment, respondents were told that they got payment of either a dinner for two or a pair of athletic shoes after spending 4 hours working (evaluating websites or entering data) for a marketing research company. In the money condition, they were told that they had spent 500 Norwegian Kroner for the acquisition. The second between subjects variable is consumption outcome, either positive or negative.

To test the first hypothesis, we replicated the original study and basically confirmed our main prediction that the difference in the overall satisfaction levels between the positive and negative consumption outcomes would be greater when paying with money than with time. The difference was significant for the consumption of a pair of athletic shoes, but not for the consumption of a dinner at restaurant. For the second hypothesis, the main effect of the nature of the activity is significant for consumption of a dinner at restaurant (F(1,107) = 7.40, p = 0.008) under positive experiences but non-significant for consumption of a pair of athletic shoes. Moreover, under the condition of a negative experience, they had a tendency to be more satisfied when spending time on an interesting activity than on an uninteresting activity, although the difference did not reach statistical significance.

We suspect the weak results for the second hypothesis is due to the weak manipulation of the excitement/enjoyment level of the activities. Therefore, we decided to carry out a second experiment by strengthening the abovementioned manipulations. The following manipulations have been applied. For an interesting activity, the manipulation is “You have had an extra job in a company, doing different types of data and information services. Your task is data entry. You think the job is very boring. It gives you few challenges. Sometimes the handwriting is so unclear that it leads to a lot of mistakes. You learned very little that you can use at job and at school. It is absolutely a job that you will not recommend to other students”. And for a boring activity, the manipulation is as the following: “You have had an extra job in a company, doing different types of data and information services. Your task is data entry. You think the job is very boring. It gives you few challenges. Sometimes the handwriting is so unclear that it leads to a lot of mistakes. You learned very little that you can use at job and at school. It is absolutely a job that you will not recommend to other students or that you will consider to do again”.

The experiment design is similar to that of the first experiment: a Latin square design across two levels of product with two levels of currency. The two levels of currency are time spent on interesting activity (surf internet and evaluate websites) and time spent on boring activity (data entry). 102 undergraduate students participated in the second experiment. Currently, we are still in the phase of data analysis. We expect the new manipulation of the nature of the activity (boring vs. interesting) will work better and the main effect of the nature of the activity will become statistically significant.

REFERENCE

Author Index

Lisa Abendroth ...................................................... 237
Dr. Mohan Agarwal .............................................. 6
James Agarwal ...................................................... 19
Laurie Anderson .................................................... 30, 31
Sara Appleton-Knapp ........................................... 179
Bayu Aji Aritejo ..................................................... 160
Ashok Pratap Arora .............................................. 162
Emilio J. M. Arruda-Filho ................................. 148
Laurence Ashworth .............................................. 2, 128
Julianne Joy Cabusas ........................................... 148, 240
Adriana M. Boveda-Lambie .............................. 241
Ruth Bolton .......................................................... 19
Jean Boisvert ......................................................... 39
Peter Boatwright .................................................. 254
Ashwini Asokan .................................................. 30
Rajesh Bagchi ....................................................... 175, 176
Aysen Bakir ......................................................... 368
Parthasarathi Banerjee ....................................... 322
Syagnik Banerjee ................................................ 213
Benny Barak .......................................................... 106
Fleura Bardhi ......................................................... 27
Rishtee Batra ........................................................ 252
Myriam Beaunoyer .............................................. 100
Russell Belk .......................................................... 34, 151, 342
Genevieve Bell ...................................................... 30
Anders Bengtsson ................................................ 33
Mariam Beruchashvili ...................................... 219
Shilpa Bhaskar ...................................................... 309
Ravi Bhat .............................................................. 254
C.B. Bhattacharya ............................................... 64
Dipayan Biswas ................................................... 24
Jeffrey Blodgett ..................................................... 368
Peter Boatwright .................................................. 254
Jean Boisvert ......................................................... 39
Ruth Bolton .......................................................... 19
Adriana M. Boveda-Lambie .............................. 241
Julianne Joy Cabusas .......................................... 148, 240
Jonathan Cagan ................................................... 254
Bobby J. Calder .................................................... 60
Marylouise Caldwell .......................................... 121, 154, 247
Colin Camerer ...................................................... 378
Mickael Camus ..................................................... 378
Julian Cayla ........................................................ 27, 149, 322
Dipankar Chakravarti ......................................... 123, 176, 257
Anindita Chakravarty .......................................... 124
Sucharita Chandran ............................................ 67
Rajesh Chandrashekaran .................................... 372
Mike Chen-ho Chao ............................................. 381
Subimal Chatterjee ............................................... 4, 190
Amitava Chattopadhyay ..................................... 212
Arjun Chaudhuri .................................................. 337
Jungsil Choi .......................................................... 333, 334
Vinita Choudari ................................................... 361
Tilottama G. Chowdhury .................................... 363
Adeline Phaik Harn ............................................. 234
Sunaina Chugani ................................................ 119
Suraj Commuri .................................................... 192, 219
Gert Cornelissen ............................................... 228
Yoshiko DeMotta ................................................. 381
Kalpesh Kaushik Desai ..................................... 35
Rohit Deshpande ............................................... 385
Sameer Deshpande ............................................. 208
Siegfried Dewitte ................................................ 228
Ravi Dhar ........................................................... 244, 356
Nikhilesh Dholakia ............................................. 148, 240, 322
Ruby Roy Dholakia ............................................ 213, 239, 241
Kristin Diehl ........................................................ 212, 243
Shuli Du ............................................................... 67
Srinivas Durvasula .............................................. 369
Giana Eckhardt .................................................... 33, 211, 322
Lynne Freeman .................................................... 281
Shainesh G .......................................................... 162, 366
Nikita Garg .......................................................... 47, 294
Roland Gau .......................................................... 200
Sanjaya S. Gaur .................................................... 296, 354, 357
M Geetha ............................................................. 194
Ken Gehrt ............................................................ 366
James Gentry ....................................................... 212, 219
Sanjay Ghose ...................................................... 365
Soumita Ghose ..................................................... 363
Somali Ghosh ...................................................... 190
Tanuka Ghoshal .................................................. 254
Kelly Goldsmith ................................................ 244
Mahesh Gopinath .............................................. 58, 198, 370, 373, 374
Gerald Gorn ........................................................ 176
Paromita Goswami ............................................. 344
Stephen, J. Gould ............................................... 126
Rahul Govind ...................................................... 47
Justin Gressel ....................................................... 342
Dhruv Grewal ....................................................... 24, 372
Sonya Grier ........................................................ 385
Haodong Gu ......................................................... 68
Denis Guiot .......................................................... 106
Gaurav Gupta ....................................................... 6
Reetika Gupta ....................................................... 126
Neil Halelamien .................................................. 378
Ryan Hamilton ..................................................... 120
Håvard Hansen ................................................... 171
David Hardisty .................................................... 379
Manoj Hastak ...................................................... 200
<table>
<thead>
<tr>
<th>Name</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timothy Heath</td>
<td>4</td>
</tr>
<tr>
<td>Paul Henry</td>
<td>121,154, 247</td>
</tr>
<tr>
<td>Paul M. Herr</td>
<td>197</td>
</tr>
<tr>
<td>Robin Higie Coulter</td>
<td>27</td>
</tr>
<tr>
<td>Donna Hill</td>
<td>368</td>
</tr>
<tr>
<td>Anurag Hingorani</td>
<td>281</td>
</tr>
<tr>
<td>Rebecca Hochradel</td>
<td>198</td>
</tr>
<tr>
<td>Yin-Chieh Hsu</td>
<td>359</td>
</tr>
<tr>
<td>Magdoleen Ierlan</td>
<td>4</td>
</tr>
<tr>
<td>Mathew S. Isaac</td>
<td>64</td>
</tr>
<tr>
<td>Verghese Jacob</td>
<td>123</td>
</tr>
<tr>
<td>Rama Jayanti</td>
<td>147</td>
</tr>
<tr>
<td>Yuwei Jiang</td>
<td>176</td>
</tr>
<tr>
<td>Napatsorn Jiraporn</td>
<td>4</td>
</tr>
<tr>
<td>Gita Johar</td>
<td>176</td>
</tr>
<tr>
<td>Eric Johnson</td>
<td>379</td>
</tr>
<tr>
<td>Micael-Lee Johnstone</td>
<td>234</td>
</tr>
<tr>
<td>Joshy Joseph</td>
<td>263,362</td>
</tr>
<tr>
<td>Harish Kapoor</td>
<td>37</td>
</tr>
<tr>
<td>Kevin Lane Keller</td>
<td>35</td>
</tr>
<tr>
<td>Praveen Kopalle</td>
<td>212,265</td>
</tr>
<tr>
<td>Daniel Korschun</td>
<td>64</td>
</tr>
<tr>
<td>Nevena Koukova</td>
<td>42</td>
</tr>
<tr>
<td>Thomas Kramer</td>
<td>381</td>
</tr>
<tr>
<td>Piyush Kumar</td>
<td>384</td>
</tr>
<tr>
<td>Caroline Lacroix</td>
<td>100</td>
</tr>
<tr>
<td>Meng-Kuan Lai</td>
<td>160</td>
</tr>
<tr>
<td>Byungtae Lee</td>
<td>232</td>
</tr>
<tr>
<td>Keun S. Lee</td>
<td>106</td>
</tr>
<tr>
<td>Kuan-Yin Lee</td>
<td>359</td>
</tr>
<tr>
<td>Seon Min Lee</td>
<td>299</td>
</tr>
<tr>
<td>Jennifer Lerner</td>
<td>294</td>
</tr>
<tr>
<td>Chun-Hsiung Liao</td>
<td>267</td>
</tr>
<tr>
<td>Yu-Tse Lin. 326</td>
<td>332</td>
</tr>
<tr>
<td>Martin Jen-Yuan Liu</td>
<td>44</td>
</tr>
<tr>
<td>Yong Liu</td>
<td>124</td>
</tr>
<tr>
<td>Rumilla Lobo</td>
<td>361</td>
</tr>
<tr>
<td>Kenneth Lord</td>
<td>291</td>
</tr>
<tr>
<td>Therese Louie</td>
<td>225,366</td>
</tr>
<tr>
<td>Oded Lowengart</td>
<td>365</td>
</tr>
<tr>
<td>Jessica Lucas</td>
<td>352</td>
</tr>
<tr>
<td>Harri T. Luomala</td>
<td>202</td>
</tr>
<tr>
<td>Sarah Mady</td>
<td>374</td>
</tr>
<tr>
<td>Humaira Mahi</td>
<td>122</td>
</tr>
<tr>
<td>Prashant Malaviya</td>
<td>123,188</td>
</tr>
<tr>
<td>Naresh Malhotra</td>
<td>19</td>
</tr>
<tr>
<td>Ruchi Malik</td>
<td>309</td>
</tr>
<tr>
<td>Antonia Mantonakis</td>
<td>50,175</td>
</tr>
<tr>
<td>Roger Marshall</td>
<td>195</td>
</tr>
<tr>
<td>Margaret Matear</td>
<td>128</td>
</tr>
</tbody>
</table>