Advances in Consumer Research

Latin America

Volume I

Editors
Silvia Gonzalez
David Luna
Preface

The first Latin American Conference of the Association for Consumer Research (ACR) was held at the Monterrey Crowne Plaza in Monterrey, Mexico, January 5-8, 2006. This volume is comprised of the presentations made at the conference.

This first Latin-American Conference was an important step for ACR, bringing our Association closer to being a truly global institution. On that note, the conference was a success in that it promoted exchanges of ideas among researchers from around the world. Every continent was represented in this conference, making for a tremendously diverse group. Of the approximately 120 attendees, about 45% were from Latin American Universities, 32% were from the United States, and 23% from the rest of the world.

We had many good paper submissions for this conference. However, we had to ensure that we followed the highest ACR standards for presentation. As a result, 54% of the 61 competitive paper submissions were accepted for presentation and subsequent publication in this volume. The selection process was accomplished thanks to the dedicated scholars who served as reviewers and to the 30 members of our program committee. In addition, Russ Belk and Rob Kozinets lent us their expertise with the film festival and we would like to send a very loud “Thank You!” to them. Also critical to the success of the conference were Cristel Russell and Ana Valenzuela, as co-chairs of the working paper track, Marcus da Cunha and Lisa Peñaloza, as co-chairs of the methodological workshops, and Lauren Block and Sergio Carvalho, as co-chairs of the roundtable sessions. Throughout the conference, José Luis Pineda, of the Instituto Tecnologico y de Estudios Superiores de Monterrey, gave us valuable help with all logistical matters. Also, we would like to thank the group of students from the Instituto de Monterrey that helped make the conference run without any glitches; in particular Rocio Garza, who managed the group, and Diego Bibriesca, who designed the program cover and the cover of this volume.

The theme for this year’s conference was “Creating Knowledge Across Borders: Understanding Consumers Globally.” This global theme had two dimensions: Understanding consumers throughout the globe, and understanding consumers through a variety of research paradigms and perspectives. We think the program and this volume reflects this theme—we had participants from all over the world, presenting work relevant to a great variety of countries, and representing a variety of research paradigms and methodologies.

In addition to the usual ACR mix of competitive papers, working papers, roundtables, and films, the Conference included Methodological Workshops and a Meet the Editors session to fulfill its objective of fostering consumer research in the region. We were tremendously fortunate to have many world-class scholars with us in Monterrey leading those sessions. They interacted with the attendees in and out of their sessions, and went to great lengths to help the conference become a success. We were also extremely fortunate to have the support of Barbara Kahn, as the current ACR President. Of course, the conference would not have happened without the support of Debbie MacInnis, the past President of ACR, who believed in the idea of expanding the Association to Latin America and supported our effort from the very beginning. We can’t thank both of them enough. We would also like to thank Dean Salvador Treviño from Monterrey Tech for his support and his encouraging words.

We also had several sponsors, including the Division of Business and Finance and the Center for Retailing from Instituto Tecnologico y de Estudios Superiores de Monterrey (Monterrey Tech), and the Weissman Center for International Business at Baruch College. Thanks to them we were able to hold interesting receptions, like the one that, we think, became the non-academic highlight of the conference: the off-site reception on Saturday night at the Museum of Contemporary Art. The reception featured traditional Mexican music and dances—the show “The Traveler,” by students from Monterrey Tech, and great Mexican food. Tours of the Museum were offered for free to all attendees. The reception was very well attended and the dances were spectacular! We believe that, when all the attendees look back at the Conference, this reception will be one of the memories that will first come to mind.

Last but not least, we must mention that we would not have been able to hold this conference without the patience, guidance and support of Jim Muncy and Rajiv Vaidyanathan. We will be eternally grateful to both of them.

Thank you again for presenting your work at the first LA-ACR. Your support of this conference made it a success, and by being there, we all became part of the History of this great Association.

Best Wishes,

Silvia Gonzalez  
Instituto Tecnológico y de Estudios Superiores de Monterrey (Mexico)

David Luna  
Baruch College (USA)
PRESIDENT
Barbara E. Kahn, University of Pennsylvania

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David Luna, Baruch College

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Gladys Torres-Baumgarten, Kean University
Ana Valenzuela, Baruch College

ROUNDTABLES
Lauren Block, Baruch College
Sergio Carvalho, University of Manitoba

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Ana Valenzuela, Baruch College

FILM FESTIVAL
Russell Belk, University of Utah
Robert V. Kozinets, York University

METHODOLOGICAL
WORKSHOPS
Marcus da Cunha, University of Washington
Lisa Peñaloza, University of Colorado
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January 5-8, 2006
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Baruch COLLEGE
The City University of New York
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8:30 am–10:30 am
2:00 pm–6:00 pm

Film Festival
Chairs:
Russell Belk, University of Utah, USA
Robert Kozinets, York University, Canada

(Each film is followed by a 15-minute discussion with the filmmakers)

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Karla Elizondo-DuCharme, Communicator

Headbanging: As Resistance or Refuge
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Paul Henry, University of Sydney, Australia

There and Back Again: A Consumption Journey
Robert V. Kozinets, York University, Canada

Generaciones/Generations: Cultural Identity, Memory, and the Market
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Living Dolls: How Affinity Groups Sustain Celebrity Worship
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Moderator:
Marcus da Cunha, University of Washington, USA

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Journal of Marketing
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Craig Thompson, University of Wisconsin, USA

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Abandon Old Boundaries: Welcome to Consumerspace
Michael Solomon, Auburn University, USA

Saturday January 7
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Methodological Workshop
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Robert Kozinets, York University, Canada
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Session Chair: Carlos Ballesteros, Universidad Pontificia Comillas, Spain

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David Woisetschläger, University of Muenster, Germany
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The Self and Consumption

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Darach Turley, Dublin City University, Ireland

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Tenzin Thuthob Tsarong, The Warehouse, New Zealand

Roundtable
The Role of Family in Latin American Consumption

Discussion Leaders: Silvia Gonzalez, ITESM, Mexico
Carlos Ballesteros, Comillas University, Spain
Karin M. Ekström, Center for Consumer Science, Sweden

Participants: Karin M. Ekström, Center for Consumer Science
Jose Luis Pineda, ITESM, Campus Monterrey, Mexico
Maria Elena Vazquez, ITESM, Campus Guadalajara, Mexico
Martha Arevalo, ITESM, Campus Guadalajara, Mexico
Silvia Gonzalez, ITESM
Carlos Ballesteros, Comillas University
Adriana Carranza, ITESM
Jorge Pedroza, EGADE
Diana Davila, ITESM
Niria Goñi, ITESM
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6:00 pm–8:00 pm

Reception
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Participants: Carlos Ruy Martínez, EGADE
Mauricio González, EGADE
César Sepúlveda, Tecnológico de Monterrey
María Eugenia Pérez, Tecnológico de Monterrey
Claudia Quintanilla, Tecnológico de Monterrey
Rogelio Garza, Tecnológico de Monterrey
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Longitudinal Study of Customer Loyalty and its Antecedents

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Self-Esteem, the Self, and Symbolism

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ACR FILM FESTIVAL

OVERVIEW

Although it contained fewer films than the ACR North America Film Festivals, the premiere of the ACR Latin America Film Festival was an unmitigated success. There was considerable interest surrounding the Film Festival and attendance at the one-day Film Festival (held on Friday January 6, 2006) was often at Standing Room Only capacity. The Film Festival contained two particularly Latin American entries. The first, a premiere of “Too Much Passion: Exploring the Telenovelas Consumption in Mexico” by Sindy Chapa and Karla Elizondo-DuCharme explored the popular consumption of telenovelas by Mexican consumers. The film linked the development of a strong fan culture with national cultural characteristics, and led to an involved discussion about the rise, attractiveness, and prevalence of telenovelas across many other Latin American countries, such as Chile and Argentina.

The other distinctly Latin entry was Lisa Peñalosa’s “Generaciones/Generations: Cultural Identity, Memory, and the Market,” a documentary in which Mexican Americans in San Antonio, Texas share their perspective on various market experiences ranging from discrimination to civil rights to the current stylishness of Latino culture dubbed “Latino chic.” Discussion on the film revolved around the intersection of culture and consumer behavior, involving issues such as social class and mobility, and the role of business and capitalism in the development of the cultural communities.

The other filmmakers offered two films each. Australian scholars and filmmakers Paul Henry and Marylouise Caldwell offered “Headbanging: As Resistance or Refuge?” a behind-the-scenes look at a counterculture that has been stereotyped a violent and aggressive. The film’s many interviews cut to the core of subculture members’ feelings about their many countercultural stereotypes. Discussion about the film’s non-narrative stance, the relation between class and taste, and the countercultural tendencies behind this and most other subcultures was revealing and animated, and this film ended up winning the People’s Choice Award for best film of the Film Festival this year.

Paul Henry and Marylouise Caldwell’s other film, “Living Dolls: How Affinity Groups Sustain Celebrity Worship,” won the ACR-North America’s People Choice Award in 2004. This film examined a Cliff Richard’s fan club in Australia through interview and observation, and concluded that celebrity worship seemed healthy, normal, and beneficial—an important de-stigmatization of a formerly stereotyped group of people and behaviors.

Robert Kozinets offered two films: “There and Back Again: A Consumption Journey” and “God’s Holy Spirit” a film made with John F. Sherry, Jr. “There and Back Again” examined consumer behavior at a Toronto media fan convention and used it as a springboard to examine consumer culture’s fascination with popular culture and entertainment. Kozinets and Sherry’s “God’s Holy Fire” examined the sacred and religious inversions and overtones of the Burning Man festival occurring annually in Nevada’s Black Rock city.

Along with co-filmmakers, Russell Belk also offered two films to the festival. The first film, “The Gospel of Prosperity: Charismatic Churches in Ghana” was produced with Samuel Bonsu. “The Gospel of Prosperity” documents the intertwining of religion and materialist capitalist impulses in Charismatic Pentacostal churches in Kumasi, Ghana. Filled with humor and humanity, the film exhibits how the church’s teachings are central ideological elements in the spread of capitalism, and have both positive and negative elements for adherents. Moving from religion to ethics, Russell Belk, Timothy Devinney, and Giana Eckhardt presented “Consumer Ethics Across Cultures.” This film used interview techniques and scenario projective to examine consumer beliefs about moral or ethical behavior across eight different countries in Europe, North America, Asia, and Australia. Exposed to ethical choices regarding products that cause harm to the environment, foster poor labor conditions, and involve counterfeit goods, consumers exhibit a general lack of concern. The film and the ensuing discussion concerned the implications of these important findings.

During the discussions of films at the Film Festival, there were several technical questions raised about the expenses and procedures required in order to create such videographies. Russell Belk and Robert Kozinets addressed these questions during a 90-minutes “Film-Making and Consumer Research Workshop” held on January 7, 2006. The Workshop began with an overview of the rise of consumption topics in documentary film-making, and the rise in accessibility and popularity of the documentary form. It then turned to a discussion of the judgmental and validity related concerns about consumer research-film-making. Drawing on numerous examples and involving a lot of audience participation and Q&A, the presenters explained four potential criteria for judging videographic works: topical, theoretical, theatrical, and technical. They then closed with a brief overview of technical consideration that covered topics such as camera choices, media format choices, video editing procedures, and options for the distribution of finished works.

“TOO MUCH PASSION’: Exploring the Telenovelas Consumption in Mexico”

Sindy Chapa, University of Texas-Pan American, USA

Karla Elizondo-DuCharme, Communicator

Summary

Every culture develops stories that contribute to its members’ learning, enjoyment, practice and being part of the world. In Mexico, generation after generation of Mexicans have been fascinated by the stories shown through telenovelas (soap operas); Kids learn from their parents and grandparents to watch them. Thus, telenovelas become part of their life and culture.

This video shows the Mexicans’ level of involvement with the telenovelas ranging from little interest to too much passion. For some Mexicans, telenovelas may be something so big in their life that she or he might be willing to do anything to watch them. In this video, the authors present a series of testimonials and anecdotes showing how important a telenovela can be for a Mexican. In addition to this, this video shows scenes of a consumer who was observed and recorded with a hidden camera while watching a telenovela.

Telenovelas, or Latin American soap operas, are the most popular program among Mexicans. They have the highest rating of media entertainment, and that is because Mexicans find telenovelas engaging enough to watch daily, talk about with friends, and identify with.

In contrast to the U.S., where sop operas last for many years, in Mexico, telenovelas have around 200 hundred episodes, are aired five days a week during prime-time hours, and attract a broad gender-mix audience across ages, who can view the program after work.

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The telenovelas’ consumption is not exclusive of women; males are also captivated by these stories. Husbands, sons, and boyfriends, as well as females, enjoy, suffer and cry with the characters, forgetting their own problems and transporting themselves to another world beyond their reality.

Kids and teenagers are also gripped by telenovelas. Televisa, the primary producer of Mexican telenovelas developed a series of telenovelas specially targeted to them by sharing problems and situations that they confront day by day. However, because there is only one telenovela on air targeted to those at the time, parents prefer their kids not watch telenovelas at all. Because most telenovelas are targeted to a more mature audience, parents believe there is too much violence and sex in the shows that cannot be viewed by children.

Family conflicts can be present in some Mexican families when a member is not a follower of telenovelas. For example, some wives and daughters find themselves hiding to watch telenovelas because moms and husbands do not want them to watch these shows. Yet, on the other hand, the telenovelas represent for the majority of the Mexican a family union. For example, Mexicans enjoy watching telenovelas in companionship; thus, when the whole family is a telenovela consumer watching the show together becomes a family ritual.

In conclusion, the authors found that “passion,” “loyalty” and “devotion,” are important characteristics of Mexican consumers of Telenovelas, resulting from a high level of involvement with the shows due to the culture.

“Headbanging: As Resistance or Refuge”

Marylouise Caldwell, University of Sydney, Australia
Paul Henry, University of Sydney, Australia

Summary

Heavy metal music (HMM) participants are often characterized by wider society as simply angry, aggressive, and aberrant, but is this the reality? Are they predominantly engaged in acts of social resistance in which they consciously reject mainstream social values, or are they primarily seeking a place of refuge amongst an accepting social group? This video explores formative experiences that have shaped their self identity, and how (successfully) they negotiate the dual worlds of HMM subculture and place in wider society.

The literature informing these research questions is drawn from work on the nature and functions of (apparent) consumer resistance (e.g. Firtat and Venkatesh 1995; Holt 2002; Kozinets 2002; Ozanne and Murray 1995; Thompson 2003) and subcultures (e.g. Kozinets 2001; Schouten and Alexander 1995).

The HMM scene in Sydney, Australia was described by one industry figure as “hardly breathing.” The number of participants is small and the limited number of promotions at tiny venues reflects the interest. Our informants were certainly not conforming to the predominant youth trends in music or fashion. They had been long term adherents of HMM. One informant noted that “metal is generally rejected in Australia.” They suffer negative effects of being stereotyped as a pack of misfits. Adding to this disadvantage informants were from working class backgrounds with low incomes, barriers to good jobs, and limited economic resources.

In addition to the disempowering effects of socio-economic position (Henry 2005) and stigmatization as HMM adherents (Walser 2001), informants also report lack of fit with peer group norms especially in their teenage years. These memories reflected feelings of being different to others, experiencing rejection, and loneliness. Many informants were self-professed “geeks”, tending toward books, study and music. Working class attitudes to these types of interests typically range from ambivalence to derision (Bourdieu 1984). Informants also displayed a complete lack of interest in sports. In working class groups, since other forms of power are often denied, physicality and brute strength as exhibited in playing sport is highly valued (Bourdieu 1984). Furthermore, Australian culture is ‘sports-mad’ with sporting affiliations contributing to social acceptance.

These experiences of disempowerment have shaped informant’s sense of self, values, priorities and preferences. Recurring values articulated by informants revolved around the importance of open-mindedness and acceptance of different people, ideas, and music. This appeared to be a reaction to the closed-mindedness they have faced and the desire to distinguish themselves from the mainstream oppressors. Informants see themselves as individualists, free from mainstream social pressure. One cited as evidence their ability to discern good music independently: “you don’t go with the crowd. HMM makes us feel different and superior to the other people who are sheep and fed mainstream stuff … (and) we can have a laugh at the world coz we know better.”

In HMM informants had found an enclave of like-thinkers from which they derived (previously denied) social acceptance, a source of identification, and enhanced self-esteem. However, their broader aspirations throw continuing sense of disempowerment into sharp relief. When asked about the future, all informants expressed the desire to own their own homes, pay off debts, attain financial stability and bring up children in a secure manner. The statement “I’d like the whole wife, kids and white picket fence thing” is typical. Perceived difficulty in aspirational attainment was evident across informants as exemplified by the quote about financial advancement: “I’ve had a lot twists, turns and dead ends.”

Coping responses to the simultaneous desires to maintain their HMM identification as well as broader aspirations vary across informants. Some tended to be more adept at balancing participation in both HMM and mainstream worlds. Others withdrew almost exclusively into HMM subculture, often to detriment of their wider aspirations. They typically employed fantasy and escapist coping, with fascination in books like “The Lord of the Rings” or medieval themes depicting powerful archetypes. Those that more successfully balanced multiple worlds employed shielding techniques. For example, one described “work people are a whole different set of relationships, a different wardrobe, a different way of talking and acting. A different person walks out of here on Monday morning.” This shielding approach also had a cost in that these informants described a dissatisfying lack of fit with others in the workplace: “I just don’t feel I’ve found my niche in life.”

This surfaces the conundrum for all informants. They have all found refuge and strength in the HMM scene. Yet in order to obtain their wider aspirations successful engagement with the mainstream is required. This is where the economic and material resources lie. Oppositional actions and symbols stereotypical of HMM works against the social acceptance necessary for such engagement. So something has to give.
References

“There and Back Again: A Consumption Journey”
Robert V. Kozinets, York University, Canada

Summary
Consumption is a complex act: part pragmatic economization, part mystical conjuration. A consumption journey to a convention that unites comic book, anime, horror, and science fiction fans is the launch point for an exploration of consumers’ popular fascination with entertainment culture. Is entertainment culture harmful to society, as Frankfurt School theorists and other cultural critics assert? Drawing on ideas, concepts, and theories from Debord, Baudrillard, Postman, and others, this video seeks to embody consumption experiences such as celebrity-worship, mass media hyperbolization, collecting, and shopping, as practices shaped by the institutions of contemporary consumer society.

Or is it a playful expression of fun and joie de vivre, a source of community and creativity celebrated by cultural studies scholars such as John Fiske? This video attends to the combination of commercialization and sacralization that is the modern entertainment marketplace. The videography begins an exploration of comic book collecting, gaming, action figure collection, and other entertainment paraphernalia-related practices that brings into relief some of the key concerns.

This film employs ethnographic and cultural studies frameworks to examine consumer cultures and communities. In the process, it will seek to educate about the characteristics of consumption-oriented communities and social formations. In terms of direct benefits, it seeks (1) to help de-stigmatize, where necessary, social groups that are often portrayed as “fringe,” “cult-like” or “fanatical,” (2) to study and explicate important relations of social power that corporations exercise through their control of consumer cultures and communities, (3) to point out the social benefits and risks of cultures and communities of consumption to their members, and to society, and (4) to provide new and useful ways of conceptualizing cultures and communities of consumption that are accessible to the public, to educators, and the members of the culture at large.

The central focus of the film is to enhance our understanding of market-oriented or consumer cultures and communities as they manifest in celebratory consumption gatherings such as the one studied here. This research provides an “inverted lens” look at commonplace consumer behaviors that seeks to defamiliarize and “re-strange-ify” the ordinary-yet-remarkable worlds of consumers.

The film uses linear narrative in part, but also draws upon a quick-cut, transformative, unsteady lens to portray the shifting psychedelic sense of the reality of modern consumer society. The film’s final section offers a new theorization of connectedness with entertainment consumption as driven by four essential factors. First are Dimensions, the extent to which there is complexity and depth to the created world(s) that consumer experience. Next is Desire, the extent to which the created world is one in which the consumers’ fantasy is engaged. This type of engagement takes the form of two elements: morality/heroism and admiration and personal power. The next factor is Division, a social capital related construct in which levels of hierarchies exist (such as those between producers and fans, between stars and producers, and between those who are knowledgeable and those who are not), which serve as strong motivation for going deeper into the community and the entertainment property. Finally, there are Doorways, such as occur at the convention. Doorways are the moments when a consumer gains entrance through breaches between the worlds, where immersion can be attained, where communities form, where a liminoidity pertains that allows trespass between the dimensions. The film theorizes that the greater the potential for Doorways, the greater the potential for consumer attractedness. Conventions such as this one fulfill the popular and commercial need for Doorways to exist, which deepen entertainment experiences and provide financial and consumption opportunities.
Summary

What does it feel like to be targeted as a market? This video draws from ethnographic interviews with 28 Mexican Americans, Chicanos/as, and Latinos/as of various generations in San Antonio, Texas, and features excerpts from their diverse experiences in the marketplace. Theoretically, it deals with a people positioned between two cultures in a multicultural society, and thus strives to stimulate debate regarding subcultural consumers in the U.S. and other nations as well, as they maneuver more consciously through the market and in society in developing community in the global economy.

Film has a long tradition in ethnography, dating almost 100 years (Taylor 1994). Video research is becoming increasingly recognized as a vital avenue in better understanding consumers and the marketplace as well, thanks to pioneers such as Russ Belk, Rob Kozinets, Lucien Taylor, and Ilisa Barbash. Its headway into our field is evident in the rapid growth of the film festival at the annual conference of the Association for Consumer Research over the past three years. My experience with the potential insights from video methods has been somewhat like the claims of Gregory Bateson and Margaret Mead in first using photography (cited in Richardson 1994). Over the course of this project, I have been humbled and amazed at the insights gained using this research technique—insights generated after ten years of studying Latino/a consumers using the more traditional ethnographic methods of participant observation and depth interviews recorded on audio tape.

The video is part of a larger ethnographic project initiated in 1999. Issues raised in the video are developed further in a series of three research papers, although the research process has been much more disjointed than this chronology would suggest. I initially wrote drafts of the manuscripts based on 20 depth interviews, and then proceeded to make the video to demonstrate these points. However, in broadening my contacts within the Latino/a community in San Antonio as I did additional interviews for the video, I realized not only that my initial research insights were simplistic, but also that using video to illustrate the papers was a poor use of this technique and served to tell but part of a larger, more interesting story. As I set the video free from the papers, I was able to explore more fully novel issues, such as the reductions of community in interviews with consumers (the latter comprise but a part of the social group) and the intertwined effects of consuming one’s own culture as compared to consumption crossovers (that is, the consumption of Latino/a culture by Latinos/as versus that by non-Latinos). Thus, in ways somewhat similar to an iteration of interpretive data analysis, doing the video has brought the papers to the next level.

Together, all four parts of this project strive to better understand the nexus of consumers, culture and the marketplace. The video depicts the personal dimension of cultural experience in the marketplace—the confusion of identity terminology, the crush and disbelief of discrimination, the ambivalence of consumer buying power, the irony of “Latino/a chic.” Yet, it offers analytical insights as well useful in imagining the future of multicultural society. Issues raised in the film are currently being developed further in the research papers. The first paper is targeted to JCR, and strives to rethink fundamental topics, such as identity, consumption symbolism, and community under the larger rubric of consumer socialization, as appropriate in multicultural society. The second, targeted to JM examines the role of multicultural dynamics in market development. The third is targeted to JPPM and examines public policy issues related to these topics.

There is an old Mexican saying that whoever forgets who they are, doesn’t know where they are going. One of the objectives of the film is to make accessible the experiences of each of the generations to the other so that they will be remembered and the contrasts between them better appreciated. So much has changed during their lifetimes. The men and women in this film speak of a range of experiences, perspectives, and cultural politics over the past 60 years in U.S. society and the marketplace. They include persons who grew up in the blatant consumer and job discrimination of the 1940’s and 50’s, to those active in the Chicano/a Rights Movement in the 60’s and 70’s, to beneficiaries of “El Movimiento” in affirmative action programs, to those currently working in and around the present popularity of the Latino/a market. Their work experiences range from trades to professions, housewives to leadership positions in the community and cultural organizations, businessmen and women to artists.

A second objective is to stimulate dialogue within the Latino/a community regarding what the market can and cannot do in its development. As such, these Mexican Americans talk about their experience in the market as consumers and as entrepreneurs. Some of the questions relevant to the study of consumer behavior include: How does it feel to be targeted as a market? How does a community whose identity was forged around labor adapt and remain viable in times of increasing attention to consumer culture? What is the role of tourism in the development of the Latino/a community, and who decides how a culture is represented? How can the community leverage attention to its consumers and employ public assets like culture for its benefit, when the market favors private gain? What is the role of cultural centers and community organizations in contemporary society so strongly influenced by business?

Notably the film does not give answers to these questions; that is the role of the research papers. Yet, hopefully it provides much food for thought to consumer researchers, Latinos/as and non-Latinos/as interested in learning more about ourselves as consumers, and what the market can and cannot do in building community. For markets are based on private property and individual gain, and often work against community, although target marketing efforts are predicated upon the existence of community and markets work to reproduce them. As the film demonstrates, Latino/a consumers face the double-edged sword of being legitimized by market practices and challenged by them as well in building community at the levels of personal relationships, neighborhoods, and businesses.

References:
“Living Dolls: How Affinity Groups Sustain Celebrity Worship”
Marylouise Caldwell, University of Sydney, Australia
Paul Henry, University of Sydney, Australia

Summary
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 (Fourrier 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 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 Fourrier’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 dramatic (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.

References

“God’s Holy Fire”
Robert V. Kozinets, York University, Canada
John F. Sherry, Jr.

Summary
Religious affiliation in contemporary North America has been described as a spiritual marketplace. This market-like religious drive has been fueled in part by a loss of faith both in conventional denominational orthodoxy and in secular alternatives and it has been sustained by a questing mood. The result is a proliferation of what have been called religions of the self. As the ever-increasing search for both authenticity and expressive individualism goes on, tempered by a health care economy-influenced ethos of the therapeutic, we are seeing legions of converts moving into New Age types of religions that offer solace for the soul under a variety of banners and in an ever-mutating and hybridizing set of guises. Its religious tinge—in brand loyalty, in organizational work cultures, in alumni networks, in sports subcultures, in entertainment fandom—seems to be one of the signposts of the consumption ethic of late capitalism. Consumer’s daily search for transcendent, authentic meaning takes them from more traditional temples and churches to sites of feverish enthusiasm and display such as concerts, homecomings, and festivals.

These religious forms are neo-tribal, in that they are characterized as dynamic and decentralized. Following a trajectory that has been unfolding in American religious movements for over two centuries, they have moved from orthodoxy to personal experience. Through these venerable venues, consumer researchers have before them a compelling opportunity to re-examine and re-theorized the role of the sacred and profane in consumer experience.

Using the words and images of Burning Man 2002, this film explores sacred spirituality as it inheres in consumer behavior at a self-transformative event. Centering on interview material with the events’ founder, Larry Harvey, this film presents an un-narrated juxtaposition of images, from desert pilgrimage quests to drum circle dancing, Christian parodying to dance partying, fire-walking to shamanic transformations, bodypainting to sacrificial burning. The film intends to raise more questions than it answers. Is Burning Man an evil event, as some claim? Do consumers need religion and a sense of the sacred anymore? What role is played by fire, drumming, and flashing lights?
We theorize the event as a disestablishment or countercultural religious form in the general genre of “New Age,” “Neopagan,” or “Neoshamanic” religion, but also see the event as much as a neotribal party as a religious quest. The films presents an experiential and eclectic mélangé of syncretic expressions that converge upon the goals of personal experience and insight, and for whom the transcendence of daily restrictions and rules is sought through a combination of the forgotten and inverted ritual and the unexpected juxtaposition. Together, these become the touchstone of identity and community.

The film begins with Larry Harvey’s original account of how his vision raised Burning Man and its accompanying city from the desert dust:

“... We started out on the beach before the broad Pacific, and though the figure was only eight feet tall, it was enough to feel transcendence. ... Had it been backed by an eight story e building, I don’t suppose it would seem so transcendent. ... When we came
out here, we had this great flat expanse, and by that time, the Man was four stories. And that was enough to induce awe, and enormous mystical resonance for me. I may be the only one that thought that, to tell you the truth. And that’s what chiefly struck me. That’s why I thought they’d come. I stood there, and I looked up, and I looked around, and I could imagine ... I saw great cyclones of dust generated by armies marching from the four quarters of the playa, and it looked to me like columns of dust generated by armies marching toward the center of the world. And this thing that looks cosmic in scale is part of it. It made sense to me."

Striving to create a “visionary void” where his “stagecraft” might facilitate visions for pilgrims, Founder Larry Harvey encourages the development of rituals which will have “conversion” effects upon pilgrims, and result in a “change of life” experience for burners willing to accept that the “ultimate source of value” is not rationality, but, rather, faith. This faith is evident in the cinematographic evidence presented in this videography of people walking through the burning coals of the Man with their hands clasped in prayer, dancing in the burning embers and reaching down to touch and spray them, and people spreading the holy ashes of the Man upon their faces, sitting meditatively by the still burning fire. Following the ecstatic rush of the Man’s sacrificial burn, there is a reflexive inward turn in which many followers introspect and seek their own personal transcendence.

Central to the alterations of the burn and the experience are images of fire, community, and change—a primitive lingua franca enacted annually upon what has become sacred ground. As with the Yeat’s poem, from which the film draws its name, the film is intended to evoke an emotional response that draws the viewer towards his or her own personal quest and search for transcendence of the everyday. In the poem, as with the Burning Man experience, one surrenders one’s soul to the community of “sages” and “singing-masters” who lead you through an unexpected experience permeated by “holy fire.” The film ends with a slow-motion view of the fire dance preceding the burning of the Man in 2002. A young fire-breather dressed in a wolf skin howls eerily into the night (a sound that also open the film). The confusion of human life, the quest for meaning and primitivism of being “a dying animal” is momentarily transcended. Simultaneously, irrefragably embodied and spiritual, an eternal moment draws fleetingly but perfectly into view:

O sages standing in God’s holy fire
As in the gold mosaic of a wall,
Come from the holy fire, perne in a gyre,
And be the singing-masters of my soul.
Consume my heart away; sick with desire
And fastened to a dying animal
It knows not what it is; and gather me
Into the artifice of eternity. –W.B. Yeats

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**“The Gospel of Prosperity: Charismatic Churches in Ghana”**

*Samuel K. Bonsu, York University, Canada*

*Russell W. Belk, University of Utah, USA*

**Summary**

Two quotations highlight the subject of our video. The first is by an anthropologist who has been studying Ghanaian religion for a number of years:

Nothing can better evoke what is at stake than the salience of the contrast between the familiar image of the African prophet from Zionist, Nazarite, or Aladura churches, dressed in white gowns, carrying crosses, and going to pray in the bush, and the flamboyant leaders of the new mega-churches, who dress in the latest (African) fashion, drive nothing less than a Mercedes Benz, participate in the global Pentecostal jetset, broadcast the message through flashy TV and radio programs, and preach the Prosperity Gospel to their deprived and hitherto-hopeless born-again followers at home and in the diaspora...the emergence of these figures [and their consumption lifestyles] suggests that the appropriation of Christianity in Africa has entered a new phase (Meyer 2004; p. 448).

The second quotation is by the founder of the church that is the primary site of our research. It is part of a sermon (later turned into a book), like many of those heard at Lighthouse Church International:

One facet of being successful is being prosperous. Poverty does not help anyone. The devil has made us believe that a spiritual person is a poor person. The fact that some priests take oaths of poverty only goes to emphasis the notion that there is some virtue in abject poverty. When I read the Bible, I do not see any such doctrine. Infact, the people God walked with often turned out to be rich. It is obvious that Satan has done a good job in making us all believe that poverty is more spiritual that prosperity ...God wants to give you more money than you can use, but He wants you to love Him more than money. Money is not evil! It cannot be evil! It is when you love money more than God, that you are in danger of backsliding ... God wants us to be successful. He wants His children to be rich and prosperous. God wants His people to build houses and to own cars. God’s will for you is to have an abundance of all things ... what do you lose by believing this? Nothing! ... He wants you to be a millionaire, and even a billionaire... There will always be poor people amongst us, but it is our duty as preachers to speak the general truth of the Word of God. The general truth of God’s Word is explicitly and implicitly prosperity, riches, breakthrough, happiness, peace and success. Receive it because that is God’s desire for you. ... Decide today for prosperity and riches. Decide today that you will accomplish something in this life. God does not want you to borrow money; He wants you to be a giver. Don’t believe the lies of the devil ... I am saying this because I want to help you. I am saying this because God has sent me into your life to help you climb out of darkness. God is telling me to tell you that prosperity is for you now! No matter
who you are or where you live in this world, prosperity can be yours by faith. I see you having a breakthrough in your financial life. I see you living long and prospering. I see you without debt. I see you with great riches…I see you owning many cars. That is God’s plan for you! (Heward-Mills 2000a, p. 6-8; emphasis in original).

LCI is one of the leading charismatic churches in Ghana, which describes itself as a mega-church. The Church has at least 23 franchises in the USA alone, and more than 300 others in over 30 countries around the world (www.lighthousechapel.org). The materialistic focus of the sermon, along with Meyer’s (2004) observation in the epigraph to the pervasive nature of consumer culture and the inroads it has made into contemporary African Christian doctrine and practice. The theology represented in the quotations challenges some of the core foundations of traditional Protestant Christianity such as denial of the flesh, inner asceticism, and the preferential option for the poor (Weber 1958). Clearly, the sermon was designed to disabuse audiences of the traditional beliefs that sustain the view that Christian religious piety and the aggressive pursuit of wealth cannot be bedfellows. Drawing on his interpretation of the Bible, Heward-Mills and his team of preachers offer hope that all children of God are guaranteed extreme wealth as long as they commit to God. This commitment and accompanying financial rewards, as he noted in the broader context of the excerpt above and in numerous other sermons elsewhere (e.g., Heward-Mills 2000b, 2002), derive in significant part from a conscientious giving of tithes and offerings to the Church. He guides his flock to compliance through teachings on loyalty and obedience to God and Church (e.g., Heward-Mills 2000c).

Based on a year of participant observation and depth interviews, this video explores both the positive and negative aspects of church-promoted materialism in a poor nation. On one hand, the Gospel of Prosperity offers hope and encourages entrepreneurship, investment, and generosity. On the other hand, for many this may be a false form of hope founded on greed, encouraged by displays of conspicuous consumption, and demanding donations that may make the church and its clergy wealthy at the expense of its credulous congregation. We show both sides of this movement and allow the audience to reach its own conclusions about whether the rapidly spreading Gospel of Prosperity is more of a blessing or a curse for Ghana.

References
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“Consumer Ethics Across Cultures”
Russell W. Belk, University of Utah, USA
Timothy Devinney, Australian Graduate School of Management, Australia
Giana Eckhardt, Australian Graduate School of Management, Australia

Summary
While some attention has been paid in the marketing literature to unethical consumer behaviors like shoplifting, credit card fraud, and vandalism (e.g., Abelson 1989; Fullerton and Punj 1997, 2004; Jolson 1974; Moschis and Cox 1989) and occasional attention has been given to consumer boycotts of companies whom they deem to be acting unethically (e.g., Friedman 1999; Garrett 1987; John and Klein 2001; Klein, Smith, and John 2002), relatively little attention has been given to how ethical considerations in consumption are thought about by consumers. Ethical consumer choices can involve purchasing from firms and nations whose behaviors and products are deemed ethical, as well as avoiding patronizing those deemed to engage in unethical practices. Ethical issues can involve worker treatment, fair-trade food, genetically modified food, environmental concerns, human rights, anti-competitive practices, racial or gender discrimination, and other such issues (Michetti 2003).

The video details the rationales consumers in a wide variety of cultures use to explain and justify both their ethical stances and their consumption behavior. Our concern is with whether and how perceptions of consumption ethics differ between varying populations, and whether any universal factors that exist across cultures can be identified. Understanding the nature of consumer ethical rationales may lead us to better understanding how to bridge the disconnect between beliefs and behavior. The themes raised in the video suggest that, consistent with other recent studies, ethical beliefs are not based on one’s socioeconomic position in society, and that culture has less effect on perceptions of consumption ethics than we expected. The middle class respondents from India and Germany, for example, have very different responses and understandings of the scenarios presented to them, yet their overall evaluations as to whether their consumption behavior is ethical or not is remarkably similar. Specifically, the video outlines the connection between producer ethics and consumer ethics as perceived by our respondents, and more generally outlines the lack of concern among most of our informants to some of the most visible consumer ethics issues discussed in the global media today.

As is evident from the excerpts of interviews seen in the video, consumers are not generally very concerned with the ethical issues raised in the scenarios. This is surprising in that in previous studies consumers would typically give lip service to being concerned about the issues, even if they were not willing to expend any effort to purchase in line with their beliefs, such as by paying more for ethical products for example. Evidently the ease of marking a socially desirable answer on a questionnaire is greater than adopting a false posture in an hour-long depth interview. Some consumers do bring ethical concerns into their product choices, but most would rather have a good product at a good price, regardless of who makes it, the conditions of workers, the uses made of animals, or issues of copyright versus counterfeit. Many consumers from the more affluent countries offered a justification involving ethical abuses by multinational

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corporations that make these goods. Corporations were said to be out only for profits, and they were described as not caring for the workers, consumers, or natural resources harmed in this pursuit. In citing prominent cases of corporate abuse, like Enron, consumers invoked the argument that since sellers don’t care about what is right, why should they? Some consumers, from both more affluent and less affluent countries, also claimed that the prices charged by companies like Nike and Louis Vuitton are immoral. While some of these arguments may be excuses for pursuing their own perceived interests as consumers, a link between producer ethics and consumer ethics does exist in our data.
Perceptions of Fairness And Customer Satisfaction Following Service Failure And Recovery

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ABSTRACT
Perceptions of fairness and customer satisfaction are examined for distributive service recovery and interactional service recovery strategies. The service recovery strategies are examined in relationship to the type of service failure. Types of service failures examined are distributive service failure and interactional service failure. Results show that distributive service recovery strategies are more effective than interactional service recovery strategies when the service failure is distributive. When service failures are interactional, both distributive service recovery and interactional service recovery strategies are effective.

LITERATURE REVIEW
Companies strive to delight customers by providing high quality products and services. Despite such efforts, companies are not always able to delight customers. Sometimes, service failures occur and customers express negative emotions and some even engage in complaint behaviors (McColl-Kennedy & Sparks 2003). Service failure represents a negative experience, both for the customer and the service provider. To reduce the negative impact of service failure, companies often develop and implement recovery strategies.

Although the increasing literature on service failure and recovery presents some insights for scholars and service managers as well, it tends to consider service failure as a uniform concept. However, it is fair to acknowledge that when a company provides a service, there may be two elements: outcomes (getting the product or the service) and process (how one is treated during the service encounter). Making this distinction is important because service delivery implies two types of experience. The first experience may be related to the outcome of the service and the second to the process. Thus, when people talk about service failure, their experience may include the outcome received as well as the process underlying the delivery of the outcome.

With this distinction in mind, we intend to assess the impact of service failure and recovery on customer reactions. Specifically, we focus on customer perceptions of fairness after a service failure and recovery. Indeed, researchers have examined the impact of service failure and recovery on perceptions of justice and customer satisfaction (Andreassen 2001; Maxham & Netemeyer 2003; Smith & Bolton 1998). Most of these studies concur that customers are more likely to continue doing business with a company if they are satisfied with service recovery (Andreassen 2001; Smith & Bolton, 1998).

In analyzing customer perceptions of justice, scholars often distinguished three forms of justice: distributive justice (Adams 1965), procedural justice (Lind & Tyler, 1988; Thibaut & Walker 1975), and interactional justice (Bies & Moag 1986). Distributive justice refers to perceptions of outcome fairness (Adams 1985), whereas procedural justice focuses on the fairness of decisions underlying the outcome distribution (Thibaut & Walker 1975). Interactional justice refers to the quality of interpersonal treatment people receive during the enactment of organizational procedures (Bies & Moag 1986).

Despite a growing body of literature on the impact of service failure and recovery on customer perceptions of fairness, the relationship between the type of service failure and the type of service recovery (we argue that an effective service recovery strategy is contingent on the type of service failure) has rarely been investigated. The purpose of the present study is to fill this void by examining the impact of service recovery on customer perceptions of fairness. In so doing, the study differentiates itself from previous studies by examining specific types of service recovery, specific types of service failure, and particular forms of fairness.

The present study adds to the extant literature on service recovery and justice in two ways. First, it explores the relationship between the type of service failure and the type of service recovery. Recovering after service failure is an important strategy for companies to solve customer complaints and ensure customer retention. Failure to properly recover from a service failure may be costly for organizations. Second, understanding what type of service recovery corresponds to a specific service breakdown may help organizations design strategies to bounce back from service failures.

Service recovery refers to “actions of a service provider to mitigate and/or repair the damage to a customer that results from the provider’s failure to deliver a service as is designed” (Johnson & Hewa 1997, 467). In this study, we used two types of recovery, distributive recovery and interactional recovery. These two types of recovery are likely to occur in face-to-face service delivery situations. We refer to a service breakdown leading to the loss of a tangible outcome as distributive failure. Distributive failure occurs when a customer does not get the product or service expected. Within a service recovery context, distributive justice is usually defined as what the customer receives as an outcome of the recovery process (McColl-Kennedy & Sparks 2003). A sense of equity would be restored when the customer receives the desired product or service or its substitute.

Thus, we argue that distributive failure can best be compensated by distributive recovery. Distributive recovery occurs when the organization or its representative provides a disgruntled customer a tangible outcome after a service breakdown. For instance, a customer dining at a restaurant finds the soup a little salty and informs the waitress. To compensate for this service failure—distributive failure, the waitress changes the soup with another one to the customer’s taste. Distributive justice after a service failure may positively influence perceptions of fairness and customer satisfaction (Smith, Bolton, & Wagner 1999). Thus, we formulated the following hypothesis.

H1. When distributive failure occurs, distributive recovery would have a more favorable impact on perceptions of distributive justice, overall customer satisfaction, and satisfaction with the recovery process than interactional recovery.

The same may hold true for interactional failure. Interactional failure occurs when the organization or its representative does not treat a customer with respect and dignity. The target appears as the target of the organization’s mistreatment and may raise a feeling of moral outrage. In this case, the customer may expect an apology from the offender. Only an apology can reduce the negative impact of interactional failure. “When a service failure occurs, the inequity of the exchange upsets the relationship between the service firm and its customers. The first step in restoring equity, from a service firm’s point of view, is to acknowledge wrongdoing and apologize. By apologizing, the firm expresses regret that the consumer did not
derive the arranged benefit (Boshoff & Leong 1998). Thus, the type of service recovery corresponding to interactional failure is interactional recovery. In interactional recovery, the organization or its representative apologizes to the customer or provides an explanation to ease the customer’s discontent. Following the previous example, an interactional failure would occur if the waitress appeared rude to the customer; and interactional recovery would occur when the waitress apologizes to the customer. We anticipate that interactional recovery is likely to compensate for interactional failure. Interactional justice is positively related to satisfaction (Maxham & Netemeyer 2003). Thus, we formulated the following hypothesis.

H2. When interactional failure occurs, interactional recovery would have a more favorable impact on perceptions of interactional justice, overall customer satisfaction, and satisfaction with the recovery process than distributive recovery.

METHOD

Participants:

The study was conducted on a sample of 111 undergraduate business and psychology students enrolled in a Northeastern university in the United States. The study was conducted during class time and students received partial credit for participating in the study.

Experimental Design:

The study used a 2X2 between-subjects factorial design. The factors are Type of service failure (Distributive or Interactive) and Type of service recovery (Distributive or Interactive).

Procedure:

The two independent variables were type of service failure and type of service recovery. The dependent variables were perceptions of distributive justice, perceptions of interactional justice, customer satisfaction with the recovery, and overall customer satisfaction. The study used a scenario-based methodology. Such a methodology is appropriate for studying service failure and recovery because it is almost impossible (even unethical) for a company to purposefully provide poor service to customers and attempt to rectify it. The scenario was built around service in a restaurant since students are familiar with restaurant service. We constructed four scenarios corresponding to specific types of service failure and recovery.

Independent variable manipulations:

Type of service recovery and type of service failure were manipulated by changing the scenario descriptions as follows:

Distributive failure: “…The food was salty and contained ingredients you were allergic to.”

Interactional failure: “……You observed that the waitress was rude when taking your order.”

Distributive recovery: “……..The waitress changed the food and offered you a free desert.”

Interactional recovery: “……..The waitress apologized with a smile.”

Dependent variable measurements:

Each scenario was followed by a 14-item, seven point, semantic differentialscale measuring distributive justice (4 items), interactional justice (4 items), overall customer satisfaction (3 items), customer satisfaction with recovery (3 items). All items were derived from Maxham and Netemeyer (2003) and modified for the scenario in this study. For example, a scale used to measure overall customer satisfaction in this study included “I am satisfied with my overall experience with the restaurant.” Participants were asked to read the scenario and answer the 14-item scale.

RESULTS

AMANOVA was performed on the data. The data for all four dependent variables are presented in figure 1. Interactions between type of service failure and type of service recovery were significant for all four dependent variables: Distributive justice \((F(1,108) = 6.26, p<.05)\), interactional justice \((F(1,108) = 8.0, p<.01)\), customer satisfaction with the recovery \((F(1,108) = 7.61, p<.01)\), and overall satisfaction \((F(1,108) = 5.99, p<.05)\). For those interactions that were significant, t-tests based on pooled variance was conducted for differences between means.

H1 was supported for perceptions of distributive justice, perceptions of interactional justice, and satisfaction with the service recovery. In case of distributive failure, distributive service recovery led to more positive perceptions of distributive justice \((t=3.55, p<.01)\), interactional justice \((t=3.03, p<.01)\), enhanced satisfaction with the recovery \((t=4.03, p<.01)\), and more overall satisfaction \((t=2.79, p<.01)\) than an interactional service recovery. The means for all four dependent variables are summarized in table 1.

H2 was not supported for any of the four dependent variables. In the case of interactional failure, interactional recovery did not lead to more positive perceptions of distributive justice or perceptions of interactional justice, enhanced satisfaction with the recovery, or enhanced overall satisfaction.

DISCUSSION

The support for H1 indicates that when subjects were faced with distributive failure, distributive recovery has a stronger impact on customer perceptions of justice and satisfaction than interactional recovery. When there was a problem with the food in the restaurant customers were more satisfied when the food was replaced than by a mere apology. The lack of support for H2 indicates that when subjects were faced with interactive failure, interactive recovery did not have a more positive impact on customer perceptions of justice and satisfaction than distributive recovery. When the waitress was rude, an apology was no more effective than the offer of a free dessert in enhancing customer satisfaction and perceptions of justice.

While this study is exploratory in nature, the results suggest that distributive recovery strategies may work well in the case of both distributive failure and interactional failures. However, interactional recovery strategies work well only in the case of interactional failures. Possible explanations for this result may be that a distributive recovery (free dessert) consequent to either a distributive service failure or an interactional service failure can favorably influence a customer’s perceptions of distributive justice and interactional justice. However an interactional recovery (an apology) consequent to either a distributive service failure or an interactional service failure can favorably influence a customer’s perception of interactional justice but not have an impact on the customer’s perceptions of distributive justice. An apology cannot restore the outcome (good quality food) when the customer has been served poor quality food (distributive failure). However, the offer of a free dessert can restore the customer’s emotional state that was upset by rudeness (interactional failure).

LIMITATIONS

This study presents some limitations worth mentioning. First, the study used a scenario-based methodology to examine service
FIGURE 1
Interactions of Type of Failure*Type of Recovery

Interactional Justice

Distributive Justice

Recovery Satisfaction

Overall Satisfaction

DF: Distributive Failure, DR: Distributive Recovery, IF: Interactional Failure, IR: Interactional Recovery
failure and recovery. This may result in customer perceptions different from an actual service failure. Thus, intentions not actual behaviors are measured. This limits the generalizability of the study. However, since people tend to often act on the premises of their intentions, we believe that the methodology used helps capture a reality of service failure and recovery. Second, the study suggests that the effectiveness of a service recovery strategy is contingent on the type of service failure. Although such a conclusion is advancing our understanding of the dynamics of service failure and recovery, the theoretical basis for this result needs further conceptual clarification. Despite these limitations, the present study bears lessons for management practice and further research.

**IMPLICATIONS FOR PRACTICE**

The results are important since the cost of strategies based on distributive recovery are likely to be more expensive than strategies based on interactional recovery. The training and operational needs for the two kinds of recovery are also different. The replacement and offer of free food in a restaurant will require different operational procedures than the issuance of an apology by the waiter. By understanding the links between specific types of service failure and service recovery, managers may be able to design appropriate service recovery measures. Our results found that distributive recovery was pivotal in ensuring customer perceptions of fairness, satisfaction with the recovery attempt, and overall satisfaction. It is therefore important for managers to provide tangible outcomes to disgruntled customers. In the case of a service encounter, the primary motivation of the customer may be to receive an outcome, here the food at a restaurant. When a service breakdown occurs, compensating for an outcome tends to have a more positive effect than a mere apology.

**IMPLICATIONS FOR RESEARCH**

Two lines of research may be gleaned from our study. First, future research may be extended to the field. Researchers may use critical incident techniques to assess the relationship between service failure and service recovery. For instance, researchers may use a sample of non student customers and assess their negative experiences and reactions during a service breakdown and recovery. Such studies may help capture actual behaviors that customers display during a service breakdown and recovery.

A second research avenue may be the importance of each type of service recovery and variables that may moderate the relationship. Are customers more likely to view distributive recovery as more important than interactional recovery? In other words, are customers more interested in getting tangible outcomes than being treated with respect and dignity during a service encounter? Is the relationship between type of recovery and type of failure dependent on the level of product involvement of the customer? Addressing such issues will improve our understanding of customer behavior. Although previous studies have integrated fairness concepts in studying service recovery, they have not addressed the primacy of service recovery on customer reactions. It is our hope that the present study will spur future empirical as well as conceptual analyses on the relationship between the type of service failure and the type of service recovery.

**REFERENCES**


ABSTRACT

This paper aims to examine the moderating effect of the type of relationship on the links between consumer’s perceived justice on service recovery process and its consequences. A theoretical model was developed and tested by Multiple Group Structural Equations Modeling. The findings from a survey with 306 respondents indicate that relational clients present higher levels of justice perceptions, trust, value and loyalty. Moreover, transactional clients’ perceptions of satisfaction with service recovery have a higher impact on trust than the relational clients’ perceptions.

1. INTRODUCTION

Researchers and marketing professionals have witnessed a paradigm change that, essentially, emphasizes the retention of current customers by searching for more permanent relationships, rather than the attraction of new customers and the accomplishment of singular exchanges. The development and maintenance of strong and lasting relationships between consumers and suppliers have emphasized the importance of the loyalty concept that is being considered the “currency” of the 21st century (Singh and Sirdeshmukh 2000). In this new business environment the relevance of the complaint handling episodes in building loyalty has been highlighted (Etzel and Silverman 1981; Hart, Heskett, and Sasser 1990; Smith, Bolton and Wagner, 1999; Tax, Brown and Chandrashekaran, 1998).

Many studies on complaint handling have focused on service recovery (e.g., Bitner, Booms, and Tetreault 1990; Hoffman, Kelley, and Rotalsky 1995; Webster and Sundar 1998). This is not surprising since complaint handling is particularly crucial to the services sector for its peculiar characteristics such as intangibility, greater dependence between the parts, and great personal contact between employees and clients.

Despite Smith, Bolton and Wagner’s (1999) warning that customers may not be homogeneous in their judgments of the effectiveness of service recovery attempts, consumer differences have been minimally included in research as variables worthy of examination in their own right. Clearly, studies that address individual responses to service recovery efforts are needed, as it would enable organizations to design service recoveries that best suit the needs and wants of their customers and thus increase satisfaction with service recovery (McColl-Kennedy, Daus, and Sparks 2003).

It is also important for the company to know the consequences of trying to solve a conflict situation and whether the customer’s satisfaction with the complaint handling impacts his loyalty feelings. However, not all the consumers are oriented to establish a relationship with a company. Some consumers would desire only to make a single transaction while others would intend to build a stronger bond. And as preceding studies indicate that consumers act in a different manner depending on the type of connection established between them and the company (Garbarino and Johnson 1999), our aim in the present study is to examine the moderating effects of the type of relationship (transactional or relational) on the nomological relationship between consumer’s perceived justice on the service recovery process (i.e., distributive, procedural and interactional fairness) and its outcomes (i.e., satisfaction with service recovery, trust and loyalty).

This paper consists of three parts. The first part deals with the theoretical model and its hypotheses. In the second part the aspects related to the research methodology are analyzed. Finally, we empirically test our model and delineate the key insights obtained.

2. THEORETICAL MODEL AND HYPOTHESES

Figure one shows the theoretical model used to investigate the impact of the service recovery episode on consumers’ trust and loyalty. The proposed model was basically generated from diverse studies on justice over conflicts between consumers and companies (e.g., Tax et al. 1998; Smith et al. 1999) and studies on trust in social and interactional relationships (e.g., Morgan and Hunt 1994; Kumar 1996).

The central idea brought by this model is that the evaluations of the complaint episode will affect the consumer’s level of trust and loyalty after the complaint. In this way, it establishes interactions among specific factors of the complaining process—justice and satisfaction perceptions—and relational factors—trust and loyalty. In general, the model indicates that the perceptions of distributive, interactional and procedural justice, will affect the level of consumer’s satisfaction with the complaint handling. The consumer’s trust after the complaint episode will be directly influenced by the final level of satisfaction achieved. Finally, the consumer’s level of loyalty after the complaint event will be influenced by the satisfaction with the specific episode, by the consumer’s trust, and by the perceived value.

Marketing researchers, in general, have been less interested in studying the moderating effects on service recovery evaluations and their consequences. Instead, the most frequently utilized approach is to test for direct (main) effects on justice perceptions, satisfaction, trust and loyalty levels (e.g., Palmer, Beggs, and Keown-McMullan 2000; Richard and Adrian 1995). Once few have examined how the relations between variables vary from customers with weak to strong bonds with companies (Garbarino and Johnson 1999), the objective of this study is to test the proposition which argues that the type of relationship between consumer and company (transactional/relational) will have moderating effects on the relationships among service recovery evaluations, post-complaint satisfaction, trust, and loyalty.

Since there is virtually absent prior research on moderating hypothesis, we are unable to propose more specific priori hypotheses. However, an example of this moderation effect may be observed on loyalty antecedents, which involve two types of relationships. The satisfaction-loyalty relationship, linking episodical attitudes to relational attitudes, and trust-loyalty relationship, linking two variables considered relational ones. The trust-loyalty effect is expected to be dominant in the relational exchanges context. In fact, in a study on these effects on transactional and relational consumers, Garbarino and Johnson (1999) showed that while satisfaction had a significant influence on transactional consumers’ future intentions, this effect has been insignificant to relational consumers. For these consumers, on the contrary, trust was the greatest determinant of future intentions.

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3. RESEARCH METHOD

To empirically test the model we did a cross-sectional study with 306 consumers engaged in complaint processes on car repair services (performed by automobile dealers), within the previous 12 months, in Porto Alegre, a big city in the South of Brazil.

After several contacts with local car dealers, nine companies provided lists of complainers (about 800 names). The companies which agreed on taking part in the research represent the four biggest automobile brands in the Brazilian market: GM, Ford, Fiat, and Volkswagen. Clients were contacted through telephone by a team of trained interviewers, in November 2003.

The measurement scales were taken from diverse studies. Interpersonal (six items), procedural (six items), and distributive fairness (four items), and satisfaction with complaint handling (three items) were drawn from Tax et al.’s work (1998); consumer trust (four items) and perceive value (four items) from Sirdeshmukh, Singh, and Sabol (2002); and consumer loyalty measures (five items) from Zeithaml, Berry and Parasuraman (1996), and Sirdeshmukh et al. (2002). Since the measurement scales originate from North-American studies, they were translated into Portuguese using the back translation technique. After elaborating the questionnaire, the measurements were submitted to four experts—marketing professors—who evaluated them for wording/meaning and consistency. The questionnaire was modified as required and a pretest was conducted on 15 people who fitted the desired profile.

We tested the moderating hypothesis by analyzing the model of Figure one through Multiple Group Structural Equations modeling. This approach has several advantages, among them, it enables us to simultaneously estimate the hypothesized model in each group and it allows for “restricted” models that include systematic constraints on relationships among constructs. Thus, it is possible to test if one or more estimated coefficients are invariant across the transactional and relational clients (Singh, Verbeke and Rhoads 1996).

First, the measurement model was examined. Only after this examination and the establishment of the measures validity and reliability, the exam of the structural model, i.e., the model including the relationships between constructs, was carried out. This approach is known as two-step approach and is suggested by various researchers (Anderson and Gerbing 1988; Kline 1998; Schumacker and Lomax 1996).

Following the Byrne’s recommendation (1994), the estimation method chosen was the ERLS (iteratively reweighted generalized least squares), available in EQS, which is not based on the prerogative of normality. In addition, as the chi-square test is very sensitive to normality deviations and samples above to 200, the analysis was carried out with other goodness of fit indices besides the chi-square test.

4. RESULTS AND DISCUSSION

4.1. Sample Profile

The respondents’ mean age is 41 years (s.d.=11.21) and 62% of the respondents men. Fifteen percent of the interviewees have a monthly familiar income of up to 680 dollars, 38% from 680 to 1,360 dollars and 47% have an income of over 1,360 dollars. Most part (76%) has complete or incomplete undergraduate education and only 5% have only the elementary school instruction. The complaints were mostly made face to face (51%), 36% by phone and 3% by email.

Most of consumers did the complaint within the previous six months (70%). The remainder (30%) had made it within the previous 12 to six months. This demonstrates that the complaint episodes were relatively recent, what may provide more reliable responses.

Thirty-seven percent (37%) of the respondents had already utilized the company’s services more than three times and 34.6% had never contacted the company before the problem situation.
4.3. Measurement Model Analysis

The convergent validity was supported, basically, because all items, without exception, presented high and significant factorial coefficients in the proposed constructs. The estimated parameters reveal that the standardized factor loadings, without exception, are statistically significant and substantially large (from 0.54 to 0.91, t-values>6.97). In addition, the composite reliability estimates ranged from 0.66 to 0.81 (perceived value and interpersonal justice, respectively), and variance extracted from 0.52 to 0.85 (procedural justice and loyalty, respectively). This is an evidence to the internal consistence between the multiple indicators of a variable, empha-

4.4. Overall Fit of the Structural Model

After the model’s measurement exam, the focus of this study turned to the theoretical structure, which establishes the moderator effect on the nomological relationships between the constructs. Following the process done by Singh et al. (1996), we estimated the Service Recovery model of Figure one through Multiple Group Structural Equations modeling (Table two). Overall, model fit statistics were satisfactory ($\chi^2=1409.455$, df=939, $\chi^2$/df=1.50, NFI=0.92, NNFI=0.97, CFI=0.97 e RMSEA=0.05). Subsequently, based on the Lagrange-multiplier test (Byrne 1994), parameters were released to improve significantly the model. Unlike the measurement parameters, the estimated structural parameters depict one differential relationship across the two groups of consumers. It refers to the impact of the satisfaction with the complaint handling on the consumers’ trust.

The estimated structural parameters, presented in Table two, provide support for six out of seven nomological relationships specified in the model. These relations reflect the impact of: 1) interactional justice on satisfaction; 2) distributive justice on satisfaction; 3) satisfaction on consumer trust; 4) satisfaction on consumer loyalty; 5) trust on consumer loyalty; 6) perceived value on consumer loyalty. The hypothesized procedural justice impact on the satisfaction with the complaint episode was not significant.

TABLE 1

Differences between the means obtained by transactional and relational customers

<table>
<thead>
<tr>
<th></th>
<th>Interpersonal Justice</th>
<th>Procedural Justice</th>
<th>Distributive Justice</th>
<th>Satisfaction</th>
<th>Trust</th>
<th>Loyalty</th>
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<td>3.56</td>
<td>3.52</td>
</tr>
<tr>
<td>Clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>6.28</td>
<td>3.58</td>
<td>5.00</td>
<td>3.87</td>
<td>6.10</td>
<td>9.40</td>
<td>11.30</td>
</tr>
<tr>
<td>Sig.</td>
<td>.013</td>
<td>.060</td>
<td>.027</td>
<td>.051</td>
<td>.014</td>
<td>.003</td>
<td>.001</td>
</tr>
</tbody>
</table>

Among the customers that had previous experience with the company, 46.7% said they had positive experiences.

4.2. Clustering Relational and Transactional Customers

To test the moderator hypothesis, we classify the respondents in two groups—one whose elements evidence strong relationships and another whose elements demonstrate weak relationships with the company. The relationship literature generally expects evidence of a repeated exchange to demonstrate the presence of a relationship(Czepiel, 1990; Dwyer, Schurr and Oh 1987). Gundlach, Achrol and Mentzer (apud Garbarino and Johnson 1999) argue that there must be a current behavioral investment in the relationship, a psychological bond of commitment, and a relationship that endures over time. In the present study, we segment the sample in the following way: relational clients were those who had used the services of a company three times or more and have had positive experiences with it (n=68). This last aspect has to do with commitment, because to be committed to the company a customer needs to be satisfied with the previous contacts he/she has had with the firm. Besides, in this kind of service (car repair) warranties are often used, and repetitive consumption may not represent an effective relationship. The transactional customers were those who had not used the company’s services before the episode, which caused the problem (n=106). The remainder customers in the sample were excluded for the mean difference across groups and the moderating effect analyses.

First we analysed the differences of means between transactional and relational clients related to all constructs of the model. Table one summarizes this analysis.

As predicted by the partnering theory, some of the largest differences are in the trust, value and loyalty measures, which distinguish consumers “partners” from consumers oriented to singular exchanges (Berry, 1995). Thus, the assumption that we are dealing with high and low relational customers is well supported.

TABLE 1

Differences between the means obtained by transactional and relational customers

<table>
<thead>
<tr>
<th></th>
<th>Interpersonal Justice</th>
<th>Procedural Justice</th>
<th>Distributive Justice</th>
<th>Satisfaction</th>
<th>Trust</th>
<th>Loyalty</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional</td>
<td>3.15</td>
<td>3.41</td>
<td>2.77</td>
<td>2.79</td>
<td>3.43</td>
<td>2.89</td>
<td>3.00</td>
</tr>
<tr>
<td>Clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational</td>
<td>3.58</td>
<td>3.71</td>
<td>3.20</td>
<td>3.19</td>
<td>3.84</td>
<td>3.56</td>
<td>3.52</td>
</tr>
<tr>
<td>Clients</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>F</td>
<td>6.28</td>
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</tr>
<tr>
<td>Sig.</td>
<td>.013</td>
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<td>.027</td>
<td>.051</td>
<td>.014</td>
<td>.003</td>
<td>.001</td>
</tr>
</tbody>
</table>

Besides the convergent validity, the constructs’ discriminant validity was verified. This verification is particularly important when the constructs are highly correlated and are similar by nature (Garver and Mentzer 1999). The discriminant validity between the constructs was verified through a procedure proposed by Baggozzi and Phillips (1982). According to these authors, the discriminant validity between two estimated constructs can be evaluated through the restriction to the parameter unit (1) that indicates such correlation. A chi-square significantly lower when the correlation is not restricted to zero indicates that the constructs are not perfectly correlated and that the discriminant validity is achieved. The result of this test showed that all the constructs were found properly distinct from one another.

4.4. Overall Fit of the Structural Model

After the model’s measurement exam, the focus of this study turned to the theoretical structure, which establishes the moderator effect on the nomological relationships between the constructs. Following the process done by Singh et al. (1996), we estimated the Service Recovery model of Figure one through Multiple Group Structural Equations modeling (Table two). Overall, model fit statistics were satisfactory ($\chi^2=1409.455$, df=939, $\chi^2$/df=1.50, NFI=0.92, NNFI=0.97, CFI=0.97 e RMSEA=0.05). Subsequently, based on the Lagrange-multiplier test (Byrne 1994), parameters were released to improve significantly the model. Unlike the measurement parameters, the estimated structural parameters depict one differential relationship across the two groups of consumers. It refers to the impact of the satisfaction with the complaint handling on the consumers’ trust.

The estimated structural parameters, presented in Table two, provide support for six out of seven nomological relationships specified in the model. These relations reflect the impact of: 1) interactional justice on satisfaction; 2) distributive justice on satisfaction; 3) satisfaction on consumer trust; 4) satisfaction on consumer loyalty; 5) trust on consumer loyalty; 6) perceived value on consumer loyalty. The hypothesized procedural justice impact on the satisfaction with the complaint episode was not significant.

The results in Table two also indicate only one different relationship between the two groups of consumers. It is the impact of the satisfaction with the complaint handling on consumers’ trust.

While for relational consumers the impact of satisfaction on trust is 0.65, for transactional consumers it is 0.88. This result...
The Moderating Impact of the Type of Relationship on the Consumers’ Service Recovery Evaluations

The service recovery process is critical in shaping consumers' trust and satisfaction. For transactional consumers, the complaint resolution's importance in molding their trust in the company is highly significant, as it marks their initial experience with the firm and strongly indicates the level of company commitment to them. Conversely, relational clients' trust judgments are influenced by both the specific episode and previous experiences with the firm. Satisfaction explained more trust variance among transactional (.72) than among relational customers (.54), indicating that the first group tends to exhibit trust behavior driven primarily by the level of satisfaction with the complaint handling. For relational clients, satisfaction remains an important element in building or depleting their confidence in the company, although other factors such as past experiences with the organization may also play a role.

The effects of interactional and distributive justice perceptions on the satisfaction with the complaint handling were confirmed. However, the procedural justice impact on the final satisfaction was not significant. The R² of 0.86 indicates that the personal treatment, tangible results achieved through the complaint handling, and the expressiveness of the variance (86%) in the final satisfaction levels of the consumer contribute significantly to their overall satisfaction, regardless of being transactional or relational clients.

The impacts of satisfaction, trust, and value level on consumer loyalty were also confirmed. Trust had a significant main effect (.62), while value exerted a secondary (.54) impact on loyalty. Satisfaction had a peripheral effect (.19). Trust's main impact on loyalty confirms that high levels of trust lead consumers to believe the company will maintain consistent and competent performance, ensuring continued future benefits with the same supplier. Trust reduces the risk in relational exchanges by contributing to loyalty feelings.

The reasonable effect of perceived value on loyalty (regression coefficient .35) demonstrates that the cost vs. benefits' evaluations influence loyalty levels. It means that, even when the company manages efficiently the complaint, consumer may defect if he/she perceived the company as providing a poor value exchange.

The peripheral direct impact of satisfaction on loyalty should be considered with its indirect effect, through the impact of satisfaction on trust. The indirect effect is fundamental to satisfy relational as well as transactional customers' needs.

### Table 2

<table>
<thead>
<tr>
<th>Dependent variable:</th>
<th>Transactional Client</th>
<th>Relational Client</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Satisfaction with complaint handling</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.86</td>
<td>0.86</td>
</tr>
<tr>
<td>Interpersonal justice–Satisfaction</td>
<td>0.27 (2.07)</td>
<td>0.27 (2.07)</td>
</tr>
<tr>
<td>Procedural Justice–Satisfaction</td>
<td>0.09 (0.40)</td>
<td>0.09 (0.40)</td>
</tr>
<tr>
<td>Distributive Justice–Satisfaction</td>
<td>0.68 (5.06)</td>
<td>0.68 (5.06)</td>
</tr>
<tr>
<td><strong>Dependent variable: Trust</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.72</td>
<td>0.54</td>
</tr>
<tr>
<td>Satisfaction–Trust</td>
<td><strong>0.88 (7.44)</strong></td>
<td><strong>0.65 (5.97)</strong></td>
</tr>
<tr>
<td><strong>Dependent variable: Loyalty</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>0.68</td>
<td>0.68</td>
</tr>
<tr>
<td>Satisfaction–Loyalty</td>
<td>0.19 (2.05)</td>
<td>0.19 (2.05)</td>
</tr>
<tr>
<td>Trust–Loyalty</td>
<td>0.62 (6.11)</td>
<td>0.62 (6.11)</td>
</tr>
<tr>
<td>Perceived value–Loyalty</td>
<td>0.54 (5.48)</td>
<td>0.54 (5.48)</td>
</tr>
</tbody>
</table>

*Most nomological relationships were constrained to be equal across the two groups. Only the relationship between satisfaction and trust was indicated to be released by the LM test. The unstandardized coefficient in bold is statistically significant and differs significantly across the groups. T-values are in parenthesis.*
consumers after a conflict situation to build loyalty feelings and actions.

5. IMPLICATIONS AND LIMITATIONS

From a managerial perspective, the present study brings several contributions to marketing professionals. The findings of this study indicate that the change of focus for the creation and maintenance of long-term and mutually profitable relationships, implies in treating consumers in a fair and satisfactory way when dealing with conflict episodes. The results not only establish that satisfaction with complaint handling would strongly impact trust and loyalty but also that consumers with different orientation toward the company would respond in a different manner after a conflict situation.

Our research seeks to help managers to understand how the type of the connection between clients and companies can influence the relationships between complainers’ evaluations of recovery process, and their consequences. This is a critical piece of information for service organizations, as they may be able to adapt their service recovery strategies to better accommodate these different relationships. In this study, the moderating effects of the type of relationship on the connections present in our model were restricted to the satisfaction-trust link, indicating that practitioners should handle with special concern the complaints from clients who are using the companies’ services for the first time, because the way the complaints are managed by the companies would substantially decide the future of the relationships between clients and firms.

From a theoretical standpoint, our paper attempts to contribute to the growing area of the complaint handling phenomenon.

Our research examines some relevant questions in the field of knowledge considered. Among them it is important to point out: (1) the role of justice in the evaluations of conflict handling involving these exchanges; (2) the investigation of the relations between the specific variables of the complaint episode and the relational variables; (3) the importance of the concept of trust as an antecedent of loyalty; (4) the value impact on consumer loyalty after the complaint; (5) the applicability of North-American measurements in the Brazilian context; and (6) loyalty as a wider construct, including more than just repurchase or repurchase intentions.

The investigation of the difference between these two types of consumers is also a large contribution for the academy. Although professionals recognise that they are dealing with different types of consumers, with different orientation and objectives, research is essential to prove these differences, explain the consequences of them and guide marketers to understand and deal better their customers.

To date, the research in this area has been mostly carried out in the North-American context and has paid little attention to the effect of clients’ differences. We try to offer a solid foundation to initiate a research program on group differences in complaint handling processes. We also believe that future focus on different service contexts—with different levels of competition, different degree of personal interaction, and on the role of contingent variables, such as switching costs, will promote a better understanding on the service recovery phenomenon. We urge future researchers to pursue such research programs and enrich our understanding of complaint resolution.

The contributions of this study should be pondered by the limitations that surrounded them. This study utilized a cross-sectional approach, from a non-probabilistic sample, composed by consumers from Porto Alegre, Brazil. Under this perspective, the generalization of the findings is strongly limited.

REFERENCES


EXTENDED ABSTRACT

Many Works on service encounters have investigated the impact of experience of failures and corrective actions of judgements of satisfaction (Folkes 1984; Maxham III and Netemayer 2002; McColl-Kennedy and Spark 2003; McCollough and Berry, Yadav 2000; Smith and Bolton 1999, 2002; Tax, Brown and Chandrashekaran 1998). For example, the impact of cognitive antecedents has been analysed, such as attribution (Folkes 1984) or perceived justice (Tax, Brown and Chandrashekaran 1998), as has been emotional responses (Smith and Bolton, 2002), the type and magnitude of the failures (Wun, Beatty and Jones 2004) or the type of corrective action (Bell and Zemke 1987).

There is evidence that knowledge of routine activities such as dining in a restaurant, going shopping or going to work are represented in scripts (Bozinoff and Roth 1983; Bower, Black and Turner 1979; Smith and Houston 1986; Stoltman, Tapp and Lapidus, 1989). It has been found that this type of cognitive structure intervenes in evaluations (Alba and Hutchinson 1987; Peracchio and Tybout 1996). Nonetheless, until now the impact of service failures and their corrective actions on judgements of satisfaction has not been analysed from within script theory.

Script theory has been used to model the role of the consumer in encounters with services (Batson 2002; Mhor and Bittner 1991; Solomon, Surprenant, Czepiel and Gutman 1985). A script is a cognitive structure that describes the series of actions appropriate for a particular context (Schank and Abelson 1977), such as going to a restaurant or to the doctor. The script generates the expectations which guide behaviour and contribute rules for evaluating the actions of others (Smith and Houston 1983). If the script is sufficiently elaborated (Abelson 1981) it can identify interruptions in the sequence of actions. Schank and Abelson (1977) described two types of interruptions: a) obstacles, defined as the failure to meet a condition which impedes normal development of the script, and b) errors, which are produced when an action acquires an inappropriate value. An obstacle in the service at a restaurant would be to have a reservation in the non-smoking section, only to arrive and have all the tables occupied. An error would be to find that the table reserved was in the smoking section. Schank and Abelson indicate that when a script is interrupted, actions are initialized to solve the interruption. In the case of the obstacle, a corrective action would be to ask the waiter to prepare another table, and in the case of the error, to change the table to the non-smoking section.

It has been found that product schemas intervene in evaluation (Meyers-Levy and Tybout 1989; Peracchio and Tybout 1996; Stayman, Aldem and Smith 1992). This effect has been explained from within the framework of the hypothesis of Mandler (1982). According to Mandler, the perception of a stimulus in a situation incongruent with the expectations generated by a schema initiates a cascade of arousal and cognitive elaboration, such that the greater the degree of incongruence, the greater the level of activation. The result is satisfactory if the cognitive elaboration resolves the incongruence between the perceived and expected, and unsatisfactory otherwise.

To predict the impact of service errors and corrective actions on judgements of satisfaction from the script perspective we have employed this hypothesis. The corrective actions are understood as prescriptions associated with the script to solve interruptions. The impact on evaluation depends on the result. If they solve the interruption, the consumer will feel satisfied; if not, the consumer will feel dissatisfied. Errors in the service will be understood as interruptions. Their impact on satisfaction will be more intense when the incongruence is greater between the perception and the script. Therefore, the impact of the obstacles will be greater then that of the errors. Considering that affective states affect the use of scripts (Bless 2000), it is expected that their weight in judgements will be greater when the interruption is not solved. In this experimental condition, the difference between obstacle and error will be greater than in the rest.

Participants were 61 university students who were habitual users of a cafeteria service. A factorial 2x2-within-subjects design was employed. The factors were the type of interruption of the script (obstacle vs. error) and the result of the corrective action (positive vs. negative). Each participant read the description of eight scenes (two for each experimental group). The descriptions differed in the type of interruption and the result of the corrective action. After reading each description they evaluated their satisfaction on a rating scale (Oliver 1997). The results are consistent with the hypothesis. The impact of the service errors and the corrective actions on satisfaction could be explained by the type of interruption of the script and by the result of the corrective action.

This study had two objectives: a) replicate the results of the first study with different services, and b) examine the effect of the relevance of the actions of the script on the judgements with failed satisfactory and unsatisfactory encounters. The actions of the script varied in relevance (Bower et al, 1979; Maki 1991). It has been observed that schematic processing is more probable in little-relevant situations then in highly relevant situations (Sujan 1985). Therefore, the impact of the interruptions and the corrective actions on satisfaction may vary according to the relevance of the interrupted action. It was expected that the effect of this triple interaction would be greater when the interruption is produced in an action with low relevant and which results to be satisfactory. In this condition, the difference between the impact of obstacles and errors will be greater than in the others. 200 university students participated. A factorial 2x2x2 design was employed. The factors were relevant of the interrupted action (high vs. low), type of interruption (obstacle vs. interruption) and corrective action. For each one of 10 services, 8 scenes were elaborated which varied in the relevance of the action, the type of interruption and the result of the corrective action. Each participant read the 8 distinct descriptions. The satisfaction was measured as in the previous study. The results showed the expected effect of the triple interaction on the judgements of satisfaction.

The objective of this work was to study the impact of service errors and corrective actions on judgements of satisfaction in the theoretical frame of scripts. The results indicate that the script intervenes in the judgments of satisfaction. If these results could be confirmed, the models which intend to explain the impact of service errors and their corrective actions would need to include general structures of knowledge as modulator variables of judgements of satisfaction.

REFERENCES


EXTENDED ABSTRACT
Phonetic symbolism refers to the notion that the sounds of words convey meaning apart from their semantic connotation, and research in this area has a long history. A number of researchers have shown that certain vowel sounds (e.g., the ah in “mill”) convey certain impressions (e.g., small, fast) whereas other sounds (e.g., the ah in “mall”) convey other impressions (e.g., large, slow; see Sapir 1929). Recent consumer research has sought to apply these notions to the phonetic symbolism of brand names (Klink 2000; Lowrey, Shrum, and Dubitsky 2003; Yorkston and Menon 2004).

In two of these studies, researchers have shown that specific vowel sounds convey perceptions related to size, taste, and attractiveness (Klink 2000; Yorkston and Menon 2004). These studies have also shown that names in which phonetic symbolism compliments the product category (e.g., creamy ice cream, Yorkston and Menon 2004; soft shampoo, Klink 2001) are preferred over brand names without such complimentarity.

One explanation for these findings is the front/back distinction for classifying vowels, which refers to the highest point of the tongue when pronouncing a sound. For example, the highest position of the tongue is more toward the front of the mouth for bee than for bin, and more toward the back for boot than for bin (Klink 2000). Klink found front vowels conveyed meanings of smaller, quicker, sharper, whereas back vowels conveyed the opposite qualities of larger, slower, duller.

What has not been investigated in a marketing context is whether there are vowel sounds that are generally perceived as positive or negative (regardless of attribute congruence). In a recent study of the names of political candidates, there was indirect evidence for such an effect (Smith 1998). Smith hypothesized that certain vowel sounds are often used to express disgust (e.g., phooey, “eeewwww”). Thus, candidates with last names containing such sounds (e.g., Dewey, Buchanan) might be less favorably perceived than other candidates. Using county election rosters, Smith found that 73% of favorably-named candidates won their elections.

We conducted two experiments that were designed to extend the research on the relation between phonetic symbolism, attribute congruence, and brand name preference, and to also investigate the possibility that certain sounds convey generally negative meaning. In the first experiment, we created a series of fictitious brand names that varied only by one vowel, which consequently varied the sound of the word (whether the sound was a front or back vowel sound). Thus, participants were given word pairs such as nillen/nallen, gimmel/gommel, and so forth, and asked to choose which word they preferred as a brand name. We also varied (between subjects) the product category of the brand such that the attributes connoted by the front vowel sound (small, fast, sharp) would be complimentary for one product category (convertible, knife) but not the other (SUV, hammer). Conversely, the attributes connoted by the back vowel sound (large, slow, dull) should fit with the one category (SUV, hammer) but not the other (convertible, knife). We also varied a different sound that is associated with generally negative meaning (the ew sound noted earlier). Within the same study, participants also chose between fictitious word pairs such as pewdex/pawdex, fewtip/fawtip for the same product categories.

We expected that participants would prefer words with front vowel sounds over words with back vowel sounds when the product category was a convertible or a knife, but that they would prefer words with back vowel sounds over words with front vowel sounds when the product category was an SUV or hammer. Thus, we expected a sound by product category interaction. This in fact was what we found. In general, the predicted word preference emerged by about a 2-1 margin and the interaction was significant. However, we expected a different pattern of results when the words contained sounds associated with disgust. In this case, we expected the words with ah sounds to be preferred over words with ew sounds, regardless of product category. These expectations were confirmed as well, again by about a 2-1 margin.

In the second experiment, we changed the procedure slightly. Rather than varying product category, we instead held the product category constant but primed attributes associated with the product category. We used beer as a product category, and asked participants to choose which word (from the same word pairs used in the first experiment) they preferred for either a “cool, clean, crisp” tasting beer or a “smooth, rich, creamy” tasting beer (this manipulation was between subjects). We expected that words with front vowel sounds would be preferred over words with back vowel sounds for the former description but just the opposite for the latter description. However, as in the first experiment, we expected that the words with aw sounds would be preferred over words with ew sounds regardless of the primed description. This was in fact the pattern of results we observed.

Conclusion
The results provide strong evidence that sounds of words do convey meaning and that this meaning has implications for brand name preference. We demonstrated these effects in a rigorous and controlled environment. We used non-words in order to avoid previously formed perceptions of words or brand names. We varied only one letter in the word pairs to avoid effects of other linguistic variables. Within this context, we were able to show that the preference for words with particular vowel sounds varied as a function of products and their associated attributes. However, this was the case only when the vowel sounds used were in the form of im versus om words. When the same distinction was made, but the front vowel sound was also culturally associated with expressions of disgust (ew words), the ew words were always less preferred than the aw words.

REFERENCES
EXTENDED ABSTRACT

The term arousal and its synonyms alertness, activation, and excitation describe a process that energizes behavior and affects non-exclusively cognitive performance (Ragazzoni 1998). Arousal indicates the level of activation associated with an emotional response, and could be measured on a continuum with very excited at one extreme to calm at the other end (Bolls, Lang and Potter 2001). From the consumer behavior perspective, few studies had addressed the effect of arousal on different online aspects, including Internet shopping experience, consumer’s attitudes, and consumer’s site evaluation and purchase intention.

Advergaming is the delivery of advertising messages through electronic games. Extensive exposure to the brand is a distinctive feature offered by this technique. No previous study has addressed the effect of arousal in the context of advergaming, which is usually characterized by emotional intensity. Moreover, no previous study has applied a multi-method approach to address this issue. Our study aimed to fill this gap by applying a multi-method approach to measure the effect of arousal on short-term brand memory in the context of online advergaming. The study procedures used three measures to overcome the possible drawbacks inherent to each approach. Specifically, self-reported, behavioral and physiological (heart rate) measures were used.

Consistent with Tavassoli’s (1995) findings, two studies found a negative effect of arousal on short-term ad recall in the Super Bowl context. Among the Pavelchak, Antil, and Munch (1988) findings, both pleasure and arousal were necessary dimensions to characterize the effects of emotion on ad recall. However, arousal demonstrated a higher impact on recall. Newell, Henderson, and Wu (2001) concluded that programs evoking strong emotional reactions inhibit ad and brand recall. Emotional intensity emphasizes arousal, which narrows attention to the stimuli responsible for the emotional experience and subsequently inhibits recall of other peripheral stimuli. One additional study found that a negative relationship between arousal and recognition of sports sponsorship stimuli. Pham (1992) study concluded that arousal and involvement account for a large proportion of recognition of sports sponsorship variance. Thus, the following hypotheses were posited:

H1a: Lower arousal levels correspond to greater brand recall scores.
H1b: Lower arousal levels correspond to greater brand recognition scores.

The data collection procedure was conducted in an adapted lab with a computer and an electrocardiogram (hereafter, EKG) machine. The experimental stimuli consisted of designated exposure to selected sports advergames from nabisco.com. Thirty individuals voluntarily participated in the experiment. All participants were highly educated, from different cultural backgrounds (Chilean, Chinese, Korean, Lebanese, Malaysian, Mexican, Turkish and American).

Physiological data were recorded during exposure to brand placements using an EKG machine, observed behaviors were recorded, and self-reported data were measured via a post-exposure paper-and-pencil questionnaire. Two electrodes were attached to the right and left wrists, two electrodes to the right and left ankles, and six electrodes across the chest of the participant. The participants were provided with instructions for the advergames in their native language. The participants were instructed to play each game for 5 minutes. During a total of 15 minutes of playing, the participants were exposed to the brands several times. Simultaneously, a complete 12-lead EKG was recorded on EKG paper at specific intervals for each game. Specifically, EKGs were recorded at 15 seconds after starting each game and at 2 minutes 30 seconds of gameplay. In addition, the researcher recorded the facial, verbal and/or corporal expression of the participant. Following the gameplay, participants completed the questionnaires including both recall and recognition tests.

Regression analyses were conducted to test the hypotheses. The results supported the claim that arousal has a negative effect on recall memory in the advergaming context. While there was effect of arousal on recall test (Adjusted R²=.217), there was no effect for the recognition test (Adjusted R²=.040). This indicated that the arousal measures only explained recall tests and not recognition tests results.

The most robust finding was the effect of physiological measures on recall tests. The impact of the heart rate scores was the most salient. Results of the experiment demonstrated the importance of including physiological measures when assessing arousal in online advergames. Results also indicated that the physiological measures contributed more to the memory results followed by the self-reported measures, and the behavioral measures contributed very little.

Our multi-method approach revealed a conflict between the positive relationship between self-reported with memory and negative relationships of both physiological and behavioral measures with memory. Although the behavioral measures contributed less to the explanation of brand memory, they occurred in the same direction of the physiological measures. This finding was consistent with the position regarding the suggested direct link between facial expressions and physiology. The conflict between the relationships might suggest that since heart rate measures assess phasic arousal, self-reported measures of arousal might measure a different aspect of arousal (i.e., tonic arousal). Alternatively, it is important to consider the time-lag of the self-reported measures versus the simultaneous physiological and behavioral recording to the interaction of the stimuli.

As a laboratory experiment, the study was susceptible to some limitations. The games selected for the study promote global brands of an international corporation with considerable time in the market. Therefore, some respondents might have retrieved brand information based on past experience rather than based on the exposure in the advergame. Despite the limitations, this study reinforces the need to triangulate measures when dealing with the effect of arousal on memory in the online context, in order to provide guidelines into an effective use of emotional measures and their effect on brand memory among the diverse Internet audience.

REFERENCES


This research examines differences in individuals’ sympathy/empathy responses to media artifacts, such as books and movies, in relation to sympathy/empathy responses to drama commercials. We begin with clarification of the sympathy/empathy constructs and their application to media and advertising contexts. A convoluted history has led to a semantic muddle in which the terms “sympathy” and “empathy” have become so intertwined that no two researchers necessarily define them in the same way (Langfeldt 1920 [1967]). Unstable usage is traceable to a varied research heritage from fields as disparate as psychology, aesthetics, theology, literary criticism, and moral philosophy or ethics (Morrison 1988). The consequence is a lack of threaded discourse not only among fields, but also within consumer behavior research.

As a prerequisite to clarification, we begin by differentiating between responses to real-life situations and aesthetic creations, specifying that our definitions relate only to media responses (Eisenberg et al. 1989). The need for such differentiation calls for distinguishing between another’s experience and his/her own, and demonstrated by an individual’s comprehension of another’s state or circumstances. That is, a sympathy response is volitional and cognitive in that it requires self-other differentiation; it is controllable in that an individual comprehends another’s feelings in a performance of emotions, but does not share them. In contrast, an empathy response is involuntary, unself-conscious, and affective in that the self merges with another person or object. As a response to a created work, empathy refers to a person’s capacity to feel within an object outside of the self (Langfeldt 1920 [1967]). When experiencing an empathic response to aesthetic stimuli, individuals identify “with a particular character in a film, book, or play” (Mercer 1972, p. 15) such that the empathizer completely forgets his/her own “personal existence” in experiencing “the feelings of the characters” (Delacroix, 1927, p. 281). Thus, empathy stems from the perspective of a participant caught up in the dramatic world, experiencing a vicarious automatic emotional reaction (Eisenberg et al., 1989).

**SCALE DEVELOPMENT**

The introduction of individual differences in sympathy and empathy responses to media artifacts into consumer research requires measurement instruments for both constructs. To develop two new scales, we first reviewed the sympathy and empathy scales used in current psychological research (Davis 1980, Mehrabian and Epstein 1972) and consumer behavior research (Boller et al. 1989).

Based on a series of factor and LISREL analyses of a series of pretests, we selected four seven-point scale items, anchored by not at all descriptive/very descriptive, to measure individual differences in media empathy (IDME) and sympathy (IDMS):

**Individual Difference in Media Empathy Scale Items**

1. I sometimes feel as if I have become one of the characters in a movie I am watching;
2. When I watch a movie, I often feel as if I am “in” it;
3. After seeing a movie, I have felt as though I were one of the characters;
4. When I watch a good movie, I can very easily put myself in the place of a leading character.

**Individual Difference in Media Sympathy Scale Items**

1. When I’m watching a movie, I try to understand what the characters are feeling;
2. I usually try to understand what is bothering the characters in a movie;
3. When I watch a movie, I try to understand what is motivating the characters’ actions;
4. I am usually able to recognize the problems that the characters in a movie are facing.

**EXPERIMENT**

A total of 154 undergraduate students at a southwestern university participated in our experiment; each group saw one of six, Clio award-winning classical drama commercials. Participants’ sympathy and empathy responses to the ads were measured using the scales developed by Escalas and Stern (2003). Detailed analysis of the eight individual differences items developed above shows that IDMS and IDME are unidimensional, reliable, and empirically distinct. Confirmatory factor analysis provides evidence of both construct validity and discriminant validity. The IDMS and IDME scales are significantly but moderately correlated (r=.26) and have solid internal consistency (IDMS a=.91, IDME a=.85). Next, we briefly summarize our hypotheses and the corresponding empirical results.

In consumer research, classical dramas are characterized by unified linear plots, causality, a dramatic turning point, character development and interaction (Stern 1994). Because classical dramas show characters engaged in actions to achieve their goals, these scenarios may be matched to an individual’s personal history, leading to sympathy and empathy responses. Our empirical results support the hypothesis that an increase in classical drama elements enhances sympathy and empathy ad responses. Further, we predict that interruptions to the drama unfolding in the advertisement, due to voice-overs by an announcer, text overlays, product shots, etc., will diminish the commercial’s capacity to evoke sympathy and empathy because interruptions will disrupt the viewer’s recognition of (sympathy) and the absorption in (empathy) the ad’s portrayal of emotions. Our experimental data reveal that interruptions lead to lower levels of ad response sympathy, providing only directional support for a reduction in ad response empathy.

We predict that individual differences in the propensity to respond with sympathy or empathy to media artifacts will influence...
advertising responses 1) directly, and 2) indirectly, by moderating the effect of properties of dramatic advertisements. In terms of a direct effect, our experimental results confirm that general media response tendencies affect corresponding ad sympathy/empathy responses: IDMS affects ad response sympathy, but not empathy, whereas IDME affects ad response empathy, but not sympathy. In terms of an indirect effect, we predict that the ability of classical drama elements to evoke sympathy/empathy will be stronger for viewers who are predisposed to feel sympathy/empathy towards media, as these viewers may be more sensitive to the classical elements of media presentations that evoke these emotional responses. Supporting this notion, our experiment finds that individuals who are high in IDME respond with more empathy to ads with many classical elements, while consumers low in IDME do not appear to be affected by the number of classical elements.

In reference to dramatic interruptions, we predict that the extent to which a drama ad is interrupted will more adversely affect those who are not predisposed to respond to media presentations with either sympathy or empathy, because it is more difficult for an advertisement to evoke positive emotional responses in these consumers, and thus, these interruptions will have a greater negative effect. Our experiment finds an interactive effect of IDMS and interruptions, with consumers low in IDMS more likely to be distracted by interruptions than consumers high in IDMS, who are better able to recognize the emotions being portrayed by an ad.

In summary, this paper expands our understanding of sympathy and empathy responses to drama commercials by exploring individual differences in sympathy/empathy responses to media presentations, the role of classical drama elements and interruptions, and their interactive effects. We conclude with an acknowledgement of limitations and suggestions for future research.

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EXTENDED ABSTRACT

Prospect theory states that people interpret outcomes not as end-states but as gains and losses relative to a reference point. Removing a good from the endowment reflects a loss while adding to be incorporated into the consumer’s extended self (Belk 1988). Due to self-enhancing bias that leads to enhanced evaluation of others with whom people have an association (Beggan 1992), an endowed product is likely to be enhanced in valuation more in a communal relationship. Furthermore, since people in a close relationship tend to devalue alternatives relative to their existing option (Johnson and Rusbult 1989), people are likely to demand larger dollar amount (due to devaluing of the alternative—the monetary value) to give up their current endowment.

Three studies test this overall thesis: norms of a communal relationship relative to those of an exchange relationship will make consumers more loss averse. The first two studies use standard endowment effect experiments while the third study uses a more direct measure to assess participants’ perceived loss aversion.

Study 1 uses students as participants and measures their relationship with the university. Participants are divided into communal and exchange groups based on a median split. Participants then go through the standard endowment effect experiment using a coffee mug with the university name and logo on it. Results show that both sets of participants show significant endowment effect. Further, even though there were no differences in their buying prices ($4.08 vs. $4.22), participants in the communal relationship stated a significantly larger selling price for the mug displaying stronger loss aversion than those in the exchange condition ($9.12 vs. $6.23).

Study 2 replicates the results of study 1 but instead of measuring the relationship norms study 2 manipulates them by using a scenario description of a social interaction. Endowment effect experiment using a plain mug conducted subsequent to this relationship manipulation shows that, as before, there were no differences in the stated buying prices of participants in the communal and exchange conditions ($1.88 vs. $2.04). However, loss aversion experienced by participants in the communal condition was significantly larger than that in the exchange condition, as revealed by their stated selling prices ($5.52 vs. $3.60).

Study 3 tests the overall hypothesis by more directly examining the participants’ loss aversion coefficient. Adapting from prior research (Schmidt and Traub 2002), participants were administered two tasks that required them to provide dollar values that made two particular gambles worth playing. Greater loss aversion would suggest that participants should require greater dollar amounts to persuade them to gamble. Results show that participants in the communal condition indicated a significantly larger dollar amount ($884) than those in the exchange condition ($217) to play a gamble that had an equal likelihood to lose $100. Similar results were observed for a gamble that had an equal likelihood of losing $200 (Mcomm=$890 vs. Mexchange=$312), further supporting the overall hypothesis. Furthermore, the three studies carefully ruled out alternative explanations like affect and perception of quality.

Our studies, to the best of our knowledge, are the first to demonstrate that mere salience of relationship norms makes consumers systematically more or less loss averse. Given that the salience of relationship norms can be influenced using different marketing tools, marketers can play a significant role in making consumers more loss averse towards their brand making them less likely to switch to competitive brands. This has huge implications on issues relating to brand loyalty—and opens up some exciting opportunities for future research.

REFERENCES


30 / When Losses Loom Even Larger: The Moderating Role of Relationship Norms


Context Effects on Consumer Choice: Do Brands Matter?
Francisca Sinn, Universidad Adolfo Ibáñez, Chile
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EXTENDED ABSTRACT

A great deal of research has documented that consumers’ judgments and choices are affected by the context, in particular, the relative positions of alternatives under consideration (e.g., Huber and Puto 1983; Pan and Lehmann 1993; Simonson 1989; Simonson and Tversky 1992). For example, researchers have found that consumers prefer alternatives that are in superior or compromise positions in the choice set. A superior position is one in which an alternative dominates other alternatives on one or more product attributes, whereas a compromise alternative is one that is positioned between other non-dominated alternatives (e.g., Simonson 1989).

While the studies establishing these context effects and their moderators have certainly contributed to our understanding of consumer choice, their generalizability to more realistic market settings may be limited because these effects have been tested almost exclusively in choice situations where alternatives are presented without brand names. It is rarely the case in the marketplace where an option in a choice set would be introduced as Brand X or Y, rather with a real brand name. Brands play an important role and in some cases are the major determinant of choice (e.g., Heilman, Bowman, and Wright 2000; Hoyer and Brown 1990). For example, consumers often use their familiarity with a brand as a risk-reducing cue in determining the value of an alternative (e.g., Erdem and Swait 1998; Heilman, Bowman, and Wright 2000; Hoyer and Brown 1990; Keller 1993).

Thus, it is not clear how pervasive these context effects would be in a more realistic setting that includes different brands within a choice set. We address this issue by conducting two studies that examine whether preferences for compromise and superior brands in a choice set are moderated by the inclusion of real brands that vary with respect to consumers’ familiarity with each of these brands.

We predict that preferences for compromise alternatives will be moderated by the relative brand familiarity of the choice alternatives, such that compromise brands that are more familiar than extreme brands are going to be preferred, whereas, compromise brands that are less familiar than extreme brands are less preferred. Additionally, we expect that preferences for superior alternatives will not be moderated by the relative brand familiarity of the alternatives. In the first study, to test whether the compromise effect is moderated by brand familiarity, participants are presented with a choice set containing three non-dominated, branded alternatives that vary with respect their familiarity and price. No other attribute information is provided. Therefore, there is no possibility of making tradeoffs between attributes. To test our prediction we use a 2x2x3 between-subjects factorial design. The three factors are parent brand of the product entrant (used as replicates with varying levels of quality), competitor brand familiarity (less/more familiar), and entrant positioning (extreme/assimilated compromise/equidistant compromise). Competitor brand familiarity represents situations in which competitor brands are relatively less familiar than the entrant brand in that choice set, or when the competitor brands are relatively more familiar than the entrant brand in that choice set. We find that consumers prefer extreme brands when compromise brands are relatively less familiar and compromise brands when they are relatively more familiar in that choice set.

In a second study we test whether the findings of the first study, i.e., brand familiarity moderates the compromise effect, generalize to situations where consumers are provided with quality and attribute information in addition to price. Moreover, in the second study, we test whether brand familiarity moderates preferences for superior alternatives in a choice set. More specifically, we investigate whether brand familiarity is a stronger influence than objective attribute information on choice when consumers are able to assess tradeoffs between attributes and determine that some alternatives are superior in terms of the attributes. We predict that superior alternatives in a choice set will be preferred to relatively inferior alternatives, independent of the relative familiarity of the brands.

To test this prediction and retest findings from study one with expanded information we use a 2x4 between-subjects factorial design. The two factors are the relative level of familiarity of the competitors compared to the entrant (less/more familiar) and entrant position (extreme/assimilated compromise/superior/inferior). The extreme and assimilated compromise positions are the same, non-dominated, positions used in study one. The relatively superior entrant position dominates the high quality competitor (HQC) and the relatively inferior entrant position is dominated by the HQC. Since the pattern of results in study one is the same for both parent brands we use only one parent brand.

We find that the moderating effect of brand familiarity on the preferences for compromise alternatives generalizes to situations where consumers are provided with expanded information. Further, in situations where a choice alternative is superior, we find no moderation due to brand familiarity, i.e., preferences for superior alternatives are independent of the relative familiarity of the available brand alternatives.

In summary, our research suggests that the inclusion of branded choice alternatives somewhat limits the generalizability of previous compromise effect findings. In particular, preferences for relatively more familiar brands in extreme positions than for less familiar brands in compromise positions, establishes a boundary on prior findings on the compromise effect. In situations where consumers look for cues to reduce risk, it appears that brand name familiarity is more diagnostic than the relative position of non-dominated alternatives in a choice set. The inclusion of brand names is not just another moderating variable, it goes beyond that as it represents a variable that is rarely, if ever, absent in any realistic choice situation. However, the results of study two indicate that when one alternative is clearly better than another, the diagnosticity and reliance on cues, such as brand familiarity is diminished. These findings are consistent with diagnosticity theory (e.g., Miyazaki et al. 2005; Purohit and Srivastava 2001) and suggest that superiority effects are robust to brand familiarity cues. Finally, we discuss several strategic implications of our findings for decisions concerning positioning, and line extensions, as well as, assessments of a brand’s vulnerability to the entry or repositioning of competitors.

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ABSTRACT

This research investigated the effects of graphical representation and attribute framing on the persuasiveness of a health message. Two experiments, using two types of information delivery, revealed higher persuasion when positive framing was used with graphical representation. Positive framing was found to facilitate decision making in a preventive surgery context, consistent with existing literature. Results also suggest that, when compliance is desired, practitioners should consider providing patients with a graphical representation of important numerical information regardless of the way that information is delivered or of the numerical format used.

INTRODUCTION

Decision making is a crucial component in the doctor-patient relationship. The physician has to determine what is wrong with the patient and recommend treatment, while the patient has to decide whether or not to comply with the recommended treatment. Establishing a link between the physician’s recommended treatment and the patient’s compliance with the recommendation can result in a substantial reduction in illness, morbidity and premature mortality (Department of Health and Human Services 1991).

Discussing the risks and benefits of treatment or care options available to the patient has been found to be an important part of medical communication. However, the format, modality, and context in which the information is presented to a patient have been shown to have different effects (Winett and Kagel 1984). Researchers and public health campaigners have attempted to determine the most optimal communication format to maximize the persuasiveness of their messaging. To date, research has focused on commonly made errors in judgment when making decisions (Baron and Bazerman 2002).

This study attempts to determine how best to present health information to patients as measured by their rate of compliance. The combined effect of the graphical representation and framing the information in terms of negative or positive consequences to enhance message communication was investigated using two different methods of delivering the information: written and oral. Further, the effect that a graphical representation has on persuasion was considered when equivalent numerical information was presented in a different format (i.e., percentages versus natural frequencies).

GRAPHICAL REPRESENTATION

Graphical representation is important for problem solving. Wainer (1982) stated that the goal of graphics is to communicate information accurately and clearly. This suggests that comprehension of information is assisted when the number of dimensions addressed by charts is limited and when information is presented in a clear, unambiguous format. The likelihood of effective communication at higher levels of processing is enhanced when the display format of graphs is compatible with the presented information (Simcox 1981, 1984). Simcox also suggested that graphical aids might facilitate understanding across a wide range of individuals with varying backgrounds.

Findings in memory research have suggested that the greater retrieval accuracy, the greater one’s confidence is about such accuracy. Meyer, Russo, and Talbot (1995) reported that the type of information remembered about various treatment options influences the treatment decision. McKelvie (2001), who investigated the effects of free and forced retrieval instructions on true and false recall and recognition, reported that with both recall and recognition, when participants were correct (high accuracy and comprehension), they were also certain about their responses. According to Droge and Darmon (1987), higher clarity or comprehension leads to higher confidence in beliefs. The results from these studies suggest that high recall, recognition, or comprehension will lead to higher confidence. Based on these findings, it is expected that the utilization of appropriate graphs will enhance comprehension, strengthen the decision making process and facilitate the development of confidence in patients. This differs from typical health care decision making where information is communicated exclusively through an oral or written medium. In addition, it is anticipated that a better understanding of the information provided will lead to higher persuasion when the information is perceived as favorable, in comparison to when the information is perceived as risky or unfavorable.

ATTRIBUTE FRAMING EFFECTS IN MEDICAL DECISION CONTEXTS

For more than a decade, researchers have found that framing message content, either positively or negatively, influences the decision making process. Health care professionals often provide information on the risks associated with their recommendations to enhance “informed choices” (Elwyn, Edwards, and Kinnersley 1999) or to reduce risky behaviors (Menon, Block, and Ramanathan 2002). Research to date that has focused on cause-related or health-related areas such as breast cancer (Banks et al. 1995; Meyerowitz and Chaiken 1987), testicle cancer (Steffen et al. 1994), skin cancer, sexually transmitted diseases (Block and Keller 1995), and heart disease (Maheswaran and Meyers-Levy 1990) shows that framing message content, either positively or negatively, influences decision making processing.

The present study is consistent with attribute framing as it describes situations in terms of successes and failures when evaluating medical treatments (Levin, Schneider, and Gaeth 1998; Levin, Schnitjer, and Thee 1988). Literature on attribute framing shows that the same alternative rates more favorably when surgery or another medical treatment is described in terms of survival rates rather than mortality rates (Llewellyn-Thomas 1995; Marteau 1989; Rothman et al. 1993). Consequently, it has been predicted that a treatment option will be judged as relatively more attractive when the outcome is framed positively (i.e., in terms of survival) than when it is framed negatively (i.e., in terms of number of deaths).

THE PRESENT RESEARCH

This study investigates how the use of graphical representation impacts the relationship between framing and persuasion. The effects of framing and other manipulations on patient outcomes, reviewed by Edwards et al. (2001), reported only a single study that considered numerical and graphical presentation of information versus numerical information only. Greenwood, Ellis, and Gross (1992), compared two forms of health risk appraisal feedback, one with numerical information, and the other with numerical and...
graphical illustration of the individual’s data. The accuracy of respondents’ risk perceptions were not reported but were assumed to show no change as the groups were combined for further analysis. No significant differences in intention to change behavior were identified (Greenwood, Ellis, and Gross 1992).

This research differs from Greenwood et al. (1992) in two important ways. First, Greenwood et al. (1992) investigated whether a health risk appraisal produced a change in personal health knowledge or behavior when completed as part of a routine physical examination. Knowledge was not considered in the present research, rather, the effect of a graphical representation on the likelihood of choosing an option recommended by the doctor and the confidence in the decision made was investigated. Second, Greenwood et al. (1992) used two different appraisals: the University of Minnesota Health Risk Appraisal 2.0 and Carter Center Healthier People Health Risk Appraisal. The present research used identical hypothetical scenarios, with the only difference between conditions being that half of the participants were provided with a graphical representation of the numerical information contained in the scenario, whereas the other half was not. In this way, the researchers elected a laboratory format to provide systematic control of the research variables.

The present research considered the combined effects of framing and graphical representation on the likelihood of following a doctor’s recommendation and the patient’s confidence in the decision made in two studies that differed only in the format that the message was presented to the patient. The first study followed the procedure usually seen in literature where participants read a scenario describing the option. The second study simulated a typical interaction between doctor and patient, where one of the researchers assumed the role of a health care professional and orally provided the scenario to the participants.

STUDY 1: WRITTEN DELIVERY OF INFORMATION

This study hypothesized that a graphical representation would enhance the effect of framing on message persuasiveness leading to a higher likelihood of following the doctor’s recommendation and greater confidence in the decision under conditions of positive framing. In the case of negative framing, it was expected that a graphical representation would increase confidence in the decision made, but decrease the likelihood of following the doctor’s recommendation as a result of the negatively perceived outcome.

Participants, Design, Materials, and Procedure

Two hundred and twenty-two undergraduate students from a university in the United States were randomly assigned to one of four experimental conditions in a 2 x 2 between subjects factorial design consisting of framing (positive—will survive, negative—will die) and graphical representation of the numerical information contained in the scenario (present, absent). The dependent variables were the likelihood of following the doctor’s recommendation and the confidence in the decision made. High values were of particular interest.

A short scenario, resembling real preventative surgery, was provided to each participant to read. While realistic, the scenario presented was in less detail and complexity than it would be in the real world. The scenario described the issue, prevalence, mortality rates, and symptoms, along with the doctor’s recommendation to undertake preventive surgery, which if not followed would place the patient at risk of developing untreatable cancer.

Hanoch (2004) recently suggested that using natural frequencies, instead of probabilities, provides more accurate information to the patient, who is then in a better position to judge whether a medical treatment or procedure aligns with his/hers goals and values. Consequently, both percentages (traditionally used) and natural frequencies (suggested to be more appropriate) were used in this study. A pie graph was selected to represent percentages (70% and 30%), and rectangular graphical representations with bullets were used to depict natural frequencies (70 out of 100, and 30 out of 100). Half of the participants were not provided with any graphical representation, whereas the other half were provided with a graphical representation of the outcome rate: 70% (and 70 out of 100) that one will survive after the surgery, and 30% (and 30 out of 100) that one will die. Thus, four different graphical representations were used, consistent with the frame and the number representing the outcome appeared near the graph. Students were directed to follow the instructions in the booklet, read the scenario provided, and answer the questions that followed.

The first question assessed the likelihood of following the doctor’s recommendation using a 7-point Likert-type scale from 1-Extremely Unlikely to 7-Extremely Likely. To improve on previous studies using a single measure of favorability of the decision, confidence in the decision was also measured using a 7-point Likert type scale between 1-Extremely Unconfident to 7-Extremely Confident. Following Levin, Johnson, and Davis (1987), a combined measure of the likelihood of following the recommendation and the confidence in their choice was created. This scale was sensitive to both the decision and its strengths, such that, for example, high values of likelihood and confidence meant that participants were not only very likely to choose the recommended option but also confident that they had made the right choice.

Responses varied from 1 (Extreme Unlikely to choose the recommended option and Extremely Unconfident about the decision made) to 49 (Extremely Likely to choose the recommended option and Extremely Confident about the decision made). Seeking higher persuasion, the higher values were considered to be of particular interest. The two questions assessing the dependent measures were followed by demographic information (race, age, gender, and family history of cancer). At the end, participants were thanked and debriefed. They received extra credit for their participation.

RESULTS AND DISCUSSION

Preliminary analysis indicated no significant differences regarding any of the demographic variables, and no significant differences were observed when comparing percentages and natural frequencies. Consequently, groups were analyzed together. The results follow.

Likelihood of Choice

A 2 (framing) x 2 (graphical representation) between subjects ANOVA on the likelihood of following the doctor’s recommendation revealed a significant interaction effect ($F(3, 219)=2.745, p=.044$). The positively framed message with graphical representation of the outcome rate was more persuasive than both the positively framed message without graphical representation ($M=5.07$ in comparison to $4.54$) and the negatively framed messages with and without graphical representation ($M=4.19$ and 4.56).

A significant main effect of framing was also observed ($F(1, 221)=3.753, p=.054$). Consistent with findings in existing literature, positive framing led to higher persuasion than negative framing ($M=4.80$ and 4.38).
Likelihood of Following the Doctor’s Recommendation x Confidence Measure

A 2 (framing) x 2 (graphical representation) between subjects ANOVA on the combined measure between the likelihood of choice and confidence, revealed a significant interaction effect \(F(3, 219)=2.542, p=.057\), with no main effects of framing or graphical representation. The positively framed message with graphical representation representing the outcome rate was found more persuasive than both the positively framed message without graphical representation \(M=24.78\) in comparison to 19.63) and the negatively framed messages with or without graphical representation \(M=19.67\) and 20.96).

In short, results suggest that the provision of a graphical representation enhances persuasion in the case of positive framing in written communication. Better results were obtained when the outcome was framed in positive terms (i.e., chances to live) and participants were able to visualize a graphical representation of the provided numerical information. In the case of negative framing, the results were similar for both conditions-with or without graphical representation-indicating that the provision of a graphical representation does not influence the effects of framing on persuasion when the outcome is displayed in number of deaths. No significant differences were obtained when using percentages in contrast to natural frequencies. An explanation of this null result might be the college student pool, trained to know that different numerical formats mean the same thing.

STUDY 2: ORAL DELIVERY OF THE INFORMATION

Research on the delivery of oral information in health care to date has focused primarily on information retention, not on decision-making and persuasion. For example, Thomson, Cunningham, and Hunt (2001) compared the effectiveness of written, oral, and graphical methods to provide orthodontic information in a study assessing memory retention of information by patients and parents. Although the results demonstrated little difference among the three methods, they did suggest that oral information should be supplemented with written and/or visual information. Fylan and Grunfeld (2002) also reported that participants in their study expressed a desire for both written and verbal information regarding eye examination procedures and interpretation of prescriptions.

Based on these findings it was expected that the oral delivery of information, complemented by a graphical representation, would increase comprehension and enhance the effects of framing on persuasion. Specifically, it was predicted that in the case of positive framing, people would be more likely to choose the recommended option and be more confident in the decision made when someone spoke the information to them and a graphical representation was provided. In contrast, the oral delivery and provision of a graphical representation framed negatively may increase the participants’ confidence in the decision made, but lead to a lower adoption rate of the doctor’s recommendation because of the negatively perceived outcome.

Participants, Design, Materials, and Procedure

One hundred and forty undergraduate students were randomly assigned to one of the four experimental conditions in a 2 x 2 between subjects factorial design consisting of framing (positive, negative) and graphical presentation of the numerical information (present, absent). The scenarios were slightly modified to fit an oral delivery. The same researcher orally presented the same scenario to all of the participants who were randomly assigned to one of the conditions. All of the other aspects of methodology and procedure were identical to those in the first study.

RESULTS AND DISCUSSION

A marginally significant effect of age on all dependent measures was observed \(p’s=.06\). A marginally significant effect of gender on the likelihood of choosing the option multiplied by the confidence measure was also observed \(p=.07\). No other significant differences were found.

Likelihood of Following the Doctor’s Recommendation

A 2 (framing) x 2 (graphical representation) between subjects ANCOVA controlling for age and gender revealed a marginally significant interaction effect \(F(3, 136)=3.33, p=.021\) was observed. Positive framing with a graphical representation of the outcome rate led to the most persuasive results \(M=5.19\) in comparison to 4.92 for positive framing and no graphical representation, 4.45 for negative framing with graphical representation representing the outcome rate, and 4.05 for negative framing and no graphical representation.

A main effect of framing on the likelihood of choice was also observed \(F(1, 138)=8.77, p=.004\). Positive framing was found to be more persuasive than negative framing \(M=5.09\) and 4.22). No other effects were found.

Likelihood of Following the Doctor’s Recommendation x Confidence Measure

A 2 (framing) x 2 (graphical representation) between subjects ANCOVA controlling for age and gender revealed a significantly positive framing led to higher compliance rates than positive framing without graphical representation or negative framing with or without graphical representation \(M=26.59\) in comparison to 24.50, 22.16 and 18.98).

A significant main effect of framing on the likelihood of following the doctor’s recommendation multiplied by the confidence measure \(F(1, 138)=4.41, p=.037\) was also observed. Again, positive framing was found to be more persuasive than negative framing \(M=25.83\) in comparison to 20.31). A marginally significant main effect of graphical representation on the combined measure of likelihood and confidence was also found \(F(1, 138)=3.54, p=.062\). Graphical representation enhanced persuasion \(M=24.71\) in comparison to 20.96).

DISCUSSION

The two studies investigated the effect of a graphical representation on the likelihood of following the doctor’s recommendation and the patient’s confidence in the decision made. The results replicated findings in earlier studies that concluded positive framing leads to higher persuasion than negative framing. The results also indicated that when a message is framed positively and graphical representation is provided, there is a greater likelihood that patients will follow the doctor’s recommendation and that they will be more confident in the decision made.

GENERAL DISCUSSION AND IMPLICATIONS

The primary purpose of this research was to investigate how the presentation of a graphical representation would impact on the persuasiveness of a health communication by measuring both the likelihood of following the doctor’s recommendation and the patient’s confidence in the decision made. The effect of presenting a graphical representation of the outcome rate in the context of attribute framing was investigated in a hypothetical health care context to allow for the systematic manipulation of a variety of informational variables.

The results demonstrated that positive framing leads to higher persuasion than negative framing in the context of a cancer treat-
ment surgery, replicating the results from existing literature. The provision of a graphical representation representing the outcome rate further increased the persuasiveness of the health communication in the case of positive framing.

Future research should evaluate these issues in an applied, non-laboratory setting, with patients as participants, using more complex and realistic scenarios. The laboratory setting of this study may have created an artificially low level of attention and involvement, while the college student sample may not generalize to more vulnerable populations (e.g., patients). Also, although this study incorporated confidence in the decision as an important component of the decision process, additional measures such as recall, comprehension, and satisfaction with the decision, should also be considered (Edwards et al. 2001). Nevertheless, this research constitutes a first step towards understanding how health information can be communicated to maximize compliance.

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EXTENDED ABSTRACT

Guilt is “an individual’s unpleasant emotional state associated with possible objections to one’s own actions, inaction, circumstances, or intentions” (Baumeister, Stillwell and Heatherton 1994 p.245). In the psychology literature a lot of attention has been devoted to the vital role of guilt in behavioral tendencies as this emotion is found to be a pervasive aspect of everyday life. In consumer behavior, however, the guilt emotion has been rather neglected despite its identification as a key consumption emotion (Dahl, Honea and Manchanda 2003). In line with the increasing attention for discrete emotions in consumer behavior and behavioral decision making research, the current research sought to get an insight into the eliciting conditions, subjective feelings, and behavioral consequences of the affective experience of guilt in consumer behavior. More specifically, as guilt is generally acknowledged as a moral emotion, we used the context of questionable consumer situations in which the consumer benefits at the expense of the seller by committing a moral transgression (e.g. shoplifting, copying CDs and software, receiving too much change and not saying anything). Since the pioneering study of Muncy and Vitell (1992) an important stream of research has emerged involving inappropriate consumer practices as these may compose a major problem for retailers (for a recent overview see Vitell 2003). Scrutinizing the role of guilt in the context of questionable consumer situations may contribute to a better understanding of why some benefit at the expense of the seller (while others do not), which in turn could be very helpful in ultimately curtail consumer misbehavior in the retail setting.

In a first study we explored the existence of guilt versus shame feelings in various questionable situations which differentiated on two key themes of the guilt emotion: (1) perceived control and (2) act of commission versus omission. As people may find it difficult to differentiate the affective experiences of guilt and shame the widely applied procedure of Roseman, Wiest and Swartz (1994) was used. This approach fully encompasses the experiential content of discrete emotions by concentrating on a wider range of states that are assumed to be central components of the emotional experiences (feelings, thoughts, action tendencies, actions, and emotivational goals). The results confirmed our hypothesis that guilt, not shame, is an important affective experience in situations in which the consumer benefits at the expense of the seller.

In a second experiment we scrutinized two distinct theoretical conceptualizations of the guilt emotion: the traditional self-evaluation (intrapersonal) view and the more recent interpersonal perspective of the guilt emotion (Tangney & Dearing 2002). The intrapersonal notion considers guilt to be a product of a negative evaluation of one’s behavior compared to norms and standards of appropriate behavior (Tangney 1992). The interpersonal view states that guilt arises because of the negative interpersonal consequences of one’s behavior (Baumeister et al. 1994). By experimentally manipulating both norm violations and interpersonal consequences, we found that the two notions separately cause guilt to occur in questionable consumer situations. Furthermore, examining the consequent behavioral intentions, we found that guilt (aroused by the intrapersonal or interpersonal theory) decreases consumers’ intentions to benefit at the expense of the seller, supporting the guilt emotion as an action control-mechanism. However, when combining the two notions it seems to be sufficient for a behavioral change to occur due to guilt if one of the two perspectives is made salient.

Together the results of these two studies point to the non-negligible role of the guilt emotion in situations in which the consumer benefits at the expense of the seller. These findings contribute to a greater understanding of guilt in the consumer ethics domain providing suggestions for strategies aimed at preventing inappropriate consumer behavior in the retail setting. In addition, also more general implications can be discussed since the present research contributes to the emerging stream of research on discrete emotions by extending the limited range of specific emotions investigated up till now (regret, anger, anxiety, and embarrassment). Following these implications, several suggestions for future research can be put forward.

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How Consumers Build Trust in e-Commerce: Towards a Trust Formation Model
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ABSTRACT
Although consumer trust in e-commerce has aroused much interest among researchers in the fields of consumer behaviour and information systems, little research has been devoted to investigating the methods consumers use to build trust in e-commerce. This article partially fills the gap in the current literature by presenting different methods that consumers use in order to form trust in e-commerce. The article concludes by introducing a framework for consumer’s trust formation process in e-commerce.

INTRODUCTION
In the late 1990’s e-commerce was anticipated to expand rapidly and become a normal part of consumers’ everyday lives. Nowadays some Internet-related services such as electronic newspapers and information search are widely used by consumers, but there are only a few commercially successful fields of e-commerce. One of the reasons for the failure of expectations is claimed to be consumer trust, or more likely the lack of trust (Merrilees and Frye 2003).

The phenomenon of e-trust (consumer trust in e-commerce) is widely discussed and many conceptualisations have been presented modeling consumer trust in e-commerce (Gefen, Karahanna, and Straub 2003a; Kim et al. 2005; Lee and Turban 2001; McKnight, Choudhury, and Kacmar 2002; Tan and Sutherland 2004; Tan and Thoen 2000–2001). The problem with the current literature concerning consumer e-trust is that the conceptualisations do not take into consideration how consumers form e-trust, but rather concentrate on describing different elements of it. More specifically, different mechanisms that consumers use to build e-trust have not attracted much, if any, attention among researchers.

This article contributes by expanding the current knowledge about consumer e-trust by developing a model that presents how consumers form trust in e-commerce. The first objective of this study is to review the literature addressing consumer trust, consumer perceived risks, risk reduction strategies, and the relationship between these concepts. The second objective is to empirically explore how consumers use different risk reduction strategies to generate trust in e-commerce. The third objective is to present a model based on the literature and empirical findings that illustrates consumer’s trust formation process in e-commerce.

In the following section we review the literature on consumer e-trust and present three major elements of trust. Furthermore, we argue that the current knowledge about consumer e-trust is not adequate and there is a need to take into account different mechanisms that consumers can use to form trust in order to understand consumer’s e-trust formation process. The article continues by introducing the data collection process and methodological choices. The subsequent section presents our findings. The article concludes with model development and theoretical discussion.

THREE ELEMENTS OF CONSUMER TRUST IN E-COMMERCE
The concept of trust has been heterogeneously defined by many authors in the fields of economics, social psychology, sociology, management, marketing, and information systems (Blomqvist 1997; Garbarino and Lee 2003). Garbarino and Lee (2003) argue that the most widely accepted definition of trust is proposed by Mayer, Davis and Schoorman (1995, 712): “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.”

Many alternative conceptualisations of consumer e-trust exist in the fields of information systems and marketing (e.g., Gefen et al. 2003a; Lee and Turban 2001; McKnight et al. 2002; Tan and Sutherland 2004). According to these conceptualisations, three major elements of consumer trust can be identified. These are institutional trust, interpersonal trust, and dispositional trust (Tan and Sutherland 2004). Institutional trust refers to an individual’s trust in institutions, like the laws in a society or in the case of e-commerce the technology itself. (McKnight et al. 2002). On the other hand, interpersonal trust refers to an individual’s trust in another specific party or the trustworthiness of the third party (Tan and Sutherland 2004). In the context of e-commerce, this specific party may be an e-vendor, some third party like a local newspaper that publishes an article about some e-vendor or the consumer’s friend who makes recommendations about some e-vendor (Lee and Turban 2001; Tan and Thoen 2000–2001). The concept of dispositional trust is based on the research in the area of psychology (Rotter 1971). Dispositional trust means an individual’s ability to trust in general and is based on an individual’s belief that other people are well-meaning and reliable (Gefen et al. 2003a; Tan and Sutherland 2004). Usually disposition to trust is considered to be a personality-driven feature of an individual. That is, an individual’s personality determines his/her propensity to trust in general. Furthermore, an individual’s disposition to trust may be endogenous or it may be developed during the life experiences (McKnight and Chervany 2001–2002). Disposition to trust is especially important in novel situations, such as using e-commerce (Gefen et al. 2003a).

The problem with the current literature on consumer e-trust is that the different conceptualisations only describe different elements of trust and, thus, they do not take into consideration the consumer as a builder of trust in e-commerce. Therefore there exists a gap in understanding of how a consumer forms e-trust. According to the definition of trust proposed by Mayer et al. (1995) someone is willing to be vulnerable to the actions of others based on expectations that others will perform a particular action important to the trustor. Thus, the definition of trust assumes that the trustor is expecting that others will perform a particular action important to the trustor. This assumption generates a need to form the expectation, but recent conceptualizations do not provide opportunities to understand how a trustor develops it. More specifically, we argue that consumer trust in e-commerce is an outcome of a process that consumers go through and, at least to our knowledge, that process has gained only little, if any, attention among researchers. In this article we will propose a model that includes the three elements of e-trust but also takes into account different methods that consumers can employ to form the expectation that the other party will be trustworthy. In order to do so we will use the theory of perceived risks and the concept of consumer’s coping strategies introduced by Mick and Fournier (1998) in their research on technological paradoxes.

CONSUMER PERCEIVED RISKS AND RISK REDUCTION STRATEGIES
The relationship between consumer trust and consumer perceived risks needs to be elaborated upon, because risk has been seen
to be a prerequisite to trust. For instance, Mayer et al. (1995) stress that a need for trust arises only in risky situations. However, the relationship has confused researchers; for example, Mayer et al. (1995) speculate whether risk is an antecedent to trust or an outcome of trust. On the other hand, Gefen, Rao, and Tractinsky (2003b) note that the literature offers three models that explain the relationship between risk and trust. Firstly, risk mediates the relationship between trust and behaviour. Secondly, risk moderates the relationship between trust and behaviour. Thirdly, the threshold model explains the relationship between trust and risk. All of these models assume that trust exists before risk and risk either mediates or moderates the effect of trust in behaviour or that they both operate independently. The assumption that trust occurs before risk meets some difficulties, because the vast body of literature on consumers’ risk reduction strategies (Akaah and Korgaonkar 1988; Mick and Fournier 1998; Roselius 1971; Van den Poel and Leunis 1996) indicates that consumers are doing something to cope with the perceived risks. Thus, why would consumers use different strategies to reduce risks if trust already exists? The answer could be the difference between the concepts of dispositional trust and interpersonal and institutional trust. As mentioned earlier, disposition to trust is a personality-driven feature of an individual and therefore it is always present and certainly exists before any risk perceptions regarding some other party. This can also explain why different models assume that trust occurs before risk. Therefore, we argue that only the disposition to trust appears before risk perceptions and trust in some other party (interpersonal) and trust in institutions (institutional) develop after the risk perception. More specifically, consumers can evaluate these two elements of trust by using different mechanisms.

Because mechanisms that consumers can use to form e-trust have attracted only little, if any, attention among researchers there exists no ready made method to address the issue. Therefore we adopted some mechanisms from the literature on consumers’ risk reduction strategies. More specifically, we adopted the concept of consumers’ coping strategies by Mick and Fournier (1998). In Mick and Fournier’s (1998) model there are four categories of coping strategies, all of which contain different mechanisms that consumers use to cope with technological issues. These four categories are 1) pre-acquisition avoidance strategies, 2) pre-acquisition confrontative strategies, 3) consumption avoidance strategies and 4) consumption confrontative strategies. From these four categories, we decided to take pre-acquisition confrontative strategies for more detailed examination, because these strategies also appear in other studies addressing consumer’s risk reduction strategies in the context of e-commerce (Tan 1999). Pre-acquisition confrontative strategies contain different variants. These are 1) pretest, 2) buying heuristics, 3) extended decision-making and 4) extended maintenance and warranty contract (Mick and Fournier 1998). Next, all these variants are discussed in detail.

Pretest means that the consumer is using some 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). The reason for a consumer to use pretest is to reduce the risks (s)he perceives. Some studies argue that pretest is widely used among consumers as a method for risk reduction (McDonald 1998; Mitchell and Boustani 1994). Furthermore, there is evidence that links pretesting to e-commerce. For instance, Tan (1999) and So and Sculli (2002) found that consumers use pretesting as a strategy for reducing risks in e-commerce.

Buying heuristics refers to consumer’s use of different buying rules in order to solve problems or make decisions (Statt 1997). From the viewpoint of coping strategies, Mick and Fournier (1998) argue that consumers buy the latest model, less sophisticated model, an expensive model, a widely known brand or a reliable brand. Furthermore, So and Sculli (2002) propose that consumers’ perceived risks diminish if the quality of a product or a service is high. In the context of e-commerce, Ha (2004) found that web stores’ names are positively correlated with the perceived level of brand trust.

Consumers use different methods to increase their knowledge about the product they purchase. This kind of behaviour is called extended decision-making. Mick and Fournier (1998) define extended decision-making as searching diligently for detailed product/brand information and then purchasing the most appropriate alternative in a careful, calculative manner. Other methods that consumers can use to increase their knowledge and reduce risks are also identified. For instance, consumers may ask advice from their friends concerning some product (Mitchell and Boustani 1994; Roselius 1971). In the context of e-commerce consumers are seen to increase their knowledge by using different discussion boards in order to obtain information about the products they are interested in purchasing (Grönroos et al. 2000).

The last coping strategy discussed in this article is extended maintenance and warranty contract. Several researchers argue that consumers use different warranties to reduce risks (Akaah and Korgaonkar 1988; Mick and Fournier 1998; Roselius 1971). Altogether three different categories of warranties can be identified in the literature. These are extended warranty, extended maintenance contract, and money-back guarantee (Akaah and Korgaonkar 1988; Mick and Fournier 1988). According to Mick and Fournier (1998), extended warranty and maintenance contract seem to reduce the risks perceived by their informants. Moreover, a money-back guarantee has been shown to be an important risk reduction strategy for consumers (Akaah and Korgaonkar 1988; Tan 1999; Van den Poel and Leunis 1996). There is also evidence that consumers use extended maintenance and warranty contract in the context of e-commerce. For example, Tan (1999) found that consumers reduce risks in e-commerce by using money-back guarantee.

DATA COLLECTION AND ANALYSIS

The empirical task of our study is to explore different mechanisms that consumers use to form trust in e-commerce. Due to the newness of the issue, a qualitative method was deemed to be the most appropriate in data collection. Empirical material was collected during the summers of 2003 and 2004. The method used in gathering empirical material was semi-structured theme interview. The theme interview was selected as a data collection method because it is seen as suitable approach when the study deals with issues that are not discussed by people on a daily basis (Hirsjärvi and Hurme 1991). Altogether 10 interviews were conducted during the summer of 2003. To recruit informants we first contacted certain persons who were known to be actively involved with Internet and who knew potential informants. Secondly, we approached possible informants and asked them to participate in our research. In selecting those 10 we used two criteria. Firstly, all the informants had to be 18 or older. Secondly, all of them had to have experience of using e-commerce. The themes covered in the interviews were the various risk reduction strategies presented earlier in this article. The interviews were conducted after two test interviews. A few interviews took place at informants’ homes and some in public places like cafeterias. The interviews lasted from 30 min. to 90 min. and were recorded and fully transcribed.

The second research phase took place during the summer of 2004 and the number of informants was 10, increasing the total number of informants to 20. To get into contact with informants we co-operated with an electronic grocery shop that put an advertisement for our study in their web site. We also offered a gift token
worth 20 euros to all the respondents selected for the actual interviews. At the end, 156 respondents contacted us. From these, we selected 10 informants who had some experience in using the electronic grocery shop. Themes in the interviews consisted of three elements of e-trust and risk reduction strategies. The idea in choosing these themes was to explore the possible link between the two concepts. The interviews were conducted after two test interviews. Some of the interviews were held at informants’ workplaces and some in public places such as cafeterias or restaurants. The interviews lasted from 30 min. to 90 min. and were recorded and fully transcribed.

The analysis of the empirical material was conducted as follows. Firstly, the material was read several times. Secondly, transcriptions were sorted according to the themes of the interviews. Thirdly, issues arising from the interviews based on our analysis were written in memos and read again to make sure that informants’ ideas had been captured. Fourthly, the dialogues concerning the different themes were sent via e-mail to informants in order to confirm that we had interpreted their thoughts correctly.

**FINDINGS**

In this section, the findings of our empirical study are presented. Starting with the pretest, we will present and discuss various strategies used by informants to reduce perceived risks. The role of every risk reduction strategy is moreover discussed from the viewpoint of trust formation.

**Pretest**

According to our findings informants used pretest as a method for reducing perceived risks in e-commerce. Pretest seemed to be effective, especially when informants felt that e-service was a somewhat vague and they perceived some risks concerning the service. Thus testing the service reduced risks they perceived.

“Yes, I’ve tested e-services. I guess I also tested ruoka.net about a year ago. And I also tested Viking Line’s service because we are going to cruise when the holidays begin.. so I went through different options and prices and so on.. And also made a reservation..” (Janne, 37, male)

Janne’s account illustrates the way the pretest was used in order to reduce risks. Janne perceived some risk and wanted to test the e-service offered by Viking Line (a local passenger ferry company). After browsing and testing the service he finally made a reservation. From the viewpoint of trust formation, it seems that Janne evaluated Viking Line’s trustworthiness. More specifically, Janne evaluated how competent Viking Line is to set prices for their services. The result of this evaluation seems to be trust, because he made a reservation and thus was willing to engage in a risky relationship with Viking Line. This finding provides evidence that pretest is used by informants as a method of forming interpersonal trust, because Viking Line is a vendor and therefore the relationship between Janne and Viking Line is a manifestation of interpersonal trust.

**Buying Heuristics**

Earlier, five different buying heuristics were introduced as a method for reducing risks in e-commerce. Of those five, widely known brand and reliable brand were identified in our material. Buying the latest model, a less sophisticated model, and an expensive model did not exist in our material. This can be explained by the fact that the present study concentrates on consumers’ e-trust formation. Because of that, informants talked about the different e-services they use rather than specific products to which buying the latest model, a less sophisticated model and an expensive model refer.

A widely known brand and a reliable brand were used as a risk reduction strategy among informants.

“Well, of course if you say Anttila’s e-services then of course it would have an affect.. It is familiar and secure because they also have those traditional stores.. And I also like Amazon.com.. I’ve got to know their web-site and it seems quite trustworthy and if I could speak and read English better I would order books there.. It felt quite secure because I knew it already..” (Kalle, 59, male)

Kalle’s opinion illustrates the use of a widely known brand as a risk reduction strategy. Kalle mentions that he uses Anttila’s e-services (a widely known brand in Finland). Thus, Anttila’s brand convinced Kalle about Anttila’s trustworthiness and furthermore made him willing to engage in a relationship with Anttila. Kalle would also use the Amazon.com’s e-service if he could only speak and read English properly. As the reason for his willingness to use Amazon.com Kalle mentions that it is widely known and that makes it feel secure and trustworthy.

The next quotation illustrates Jaana’s opinion about banks as a reliable brand.

“Of course I try to trust that banks have the latest knowledge about hazards.. that they update their services all the time and they take care that there are no security-risks..” (Jaana, 33, female)

According to Jaana, banks are reliable and Jaana expects that they have the latest knowledge about risks and other hazards that exist in e-commerce. This reduced the risks Jaana perceived and convinced her about the trustworthiness of the banks’ e-services.

Earlier examples illustrate that informants used two out of five buying heuristics in order to reduce the risks they perceive in e-commerce. In terms of trust formation, both of these strategies refer to the interpersonal element of trust. The reason for this is that both of the strategies are based on the brand of an e-vendor. Thus, by evaluating e-vendors’ brand, informants were convinced about the e-vendors’ trustworthiness, which allowed them to engage in a risky relationship.

**Extended Decision-Making**

According to our findings, informants used extended decision-making as a risk reduction strategy. Friends’ experiences and advice were especially important for informants. In some cases informants used e-mail to ask their friends’ opinions about the e-services they wanted to use. Furthermore, some informants reported that they use only e-services that their friends recommend. Thus, informants used extended decision-making to evaluate e-vendors’ trustworthiness in order to decide whether to use their services or not. The following quotation illustrates some of the aspects of extended decision making.

“My friends have the same hobbies as I and because of that we send e-mails to each other concerning some test results or something. And ask others’ opinions about some products and so on..” (Ilpo, 23, male)

According to our findings, informants used extended decision-making as a method to evaluate the trustworthiness of an e-vendor, thus, form interpersonal trust. Furthermore, our findings indicate that informants used extended decision-making as a method
to build institutional trust. More specifically, informants reported that they had difficulties in using the computer and they had to ask advice from their friends in order to cope with the technology. This kind of behaviour refers to informants’ need to reduce risks they perceived toward technology and to form trust in it.

Extended Maintenance and Warranty Contract

Earlier in this article we presented three different extended maintenance and warranty contract-related strategies that emerged from the literature. Those were extended warranty, extended maintenance contract, and money-back guarantee. Our findings indicate that only money-back guarantee was used among our informants. The reason for this may be that Finnish e-vendors rarely offer consumers extended warranty and extended maintenance contracts. In any case, money-back guarantee was quite widely used by informants. The following quotation illustrates the issue.

“Researcher: You said that you have bought some clothes.. so did you have any problems with them..?”

“Minna: No, actually not.. And if they send, for example, the wrong size then you can always send it back and change for free.” (Minna, 28, female)

Although informants used the money-back guarantee, there were also some restrictions to it. Some informants reported that when ordering products from abroad they did not use money-back guarantee as a risk reduction method, because they felt that foreign companies are not as trustworthy as domestic ones. In the informants’ opinion, there were no assurances that foreign companies would really give them their money back in the event of problems. Furthermore, one warranty-related issue that informants emphasized was the role of laws in society. Because of the legislation on consumer protection, informants felt that companies would give them their money back in a problematic situation.

From the viewpoint of trust formation, the warranty-strategy is linked to both interpersonal and institutional trust. Informants’ use of money-back guarantees links it to interpersonal trust, because the e-vendor is the one that offers the guarantee. More specifically, informants used e-vendors that offered a money-back guarantee because they were perceived to be more trustworthy than e-vendors not making such offers. The link between institutional trust and money-back guarantee is that informants reported that they had more trust in e-services provided by the domestic service providers than the foreign ones. The reason was the role of laws in society that protect consumers and allow them to return products and get their money back. Next, a model for consumer’s trust formation process in e-commerce is developed and some theoretical discussion is provided.

THEORETICAL DISCUSSION

Figure 1 presents a model for consumer’s trust formation process in e-commerce. The model is based on the literature and the empirical findings of the present study. According to our findings, there are indeed links between risk reduction strategies and interpersonal and institutional elements of e-trust. An interesting issue that emerged from our findings was that no obvious links were found between consumers’ risk reduction strategies and the dispositional element of trust. The reason for this could be the fact that consumer’s disposition to trust is a personality-driven feature of an individual. Because of this, if in order to illustrate the link between disposition to trust and risk reduction strategies we should compare different consumers and try to find out, for example, if some consumers use different amounts of strategies in order to reduce risks and form trust. Although the role of dispositional trust could not be clearly identified in our empirical material we argue that it has its own role in consumer’s trust formation process because every individual has some disposition to trust (Gefen et al. 2003a; Tan and Sutherland 2004), a fact that could not be ignored. In our opinion, the disposition to trust affects consumer risk perception before the overall trust is formed as discussed in the theoretical part of this article. Furthermore, other consumer characteristics cannot be ignored. For instance, there is evidence that consumer’s age and gender have an affect on consumer’s risk perception (Liebmann and Stashskyv 2002; Mitchell 1998). One can also ask how consumers’ personal values and cultural background affect trust formation in e-commerce.

As figure 1 shows, there are links between interpersonal trust, institutional trust, and perceived risks, because we see consumer trust as a dynamic phenomenon, which can change over time and depending on the situation where it occurs. An illustrative example is a situation where a consumer has earlier bought something from an e-vendor and encountered some problems. It could be assumed that in the next purchase situation consumer e-trust will not be that high, that it could lead to purchasing direct from the same e-vendor. More likely the consumer perceives more risks and is forced to use different mechanisms in order to rebuild trust. Thus, it could be argued that consumers are always actively forming trust and that the level of overall trust changes over time and depends on the situation where trust occurs.

Our model suggests that consumers can use different mechanisms to form trust in e-commerce. Compared with other models and conceptualizations (Gefen et al. 2003a; Kim et al. 2005; Lee and Turban 2001; McKnight et al. 2002; Tan and Sutherland 2004; Tan and Thoen 2000–2001) our model takes the consumer into account as a generator of trust instead of only describing different elements of trust. In spite of this, there is still a need for further studies before consumer’s trust formation process in e-commerce could be satisfactorily understood. This article provides some paths to approach the issue by exploring the strategies that consumers use to form e-trust and by introducing different consumer characteristics which may have a role in consumer’s trust formation process.

REFERENCES

FIGURE 1
A Model for the Consumer Trust Formation Process in e-Commerce

Consumer characteristics
-dispositional trust
-age, gender
-values
-culture

Perceived Risks

Consumer's Risk Reduction Strategies

Pretest
BH
EDM
EMW

Interpersonal Trust
Institutional Trust

Hirsjärvi, Sirkka and Helena Hurme (1991), Teemahaastattelu (Thematic Interview). Helsinki, Finland: Yliopistopaino


EXTENDED ABSTRACT

It has often been said that one of the reasons for the weak performance of electronic commerce is that Internet users are afraid of shopping online and this would be a matter of trust. Despite the interest in the investigation of how important trust is for e-commerce, several problems of previous studies have made it difficult to integrate their results. This study tries to overcome some of these problems by incorporating the idea that trust has several facets and it is not a static but rather a dynamic phenomenon.

The main objective of this study is to propose and test a model of trust development in the relationship between consumers and online retailers by investigating the relevance of different types of trust (dispositional, calculative-based, institutional-based, knowledge-based) in the consumer store choice. The second objective is to investigate the association between these different types of trust and both the perceived risk of the purchase and the future intentions towards the online store.

This study followed Mayer, Davis, and Schoorman (1995), according to whom “trust is 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” (p.712).

However, conceptualizing trust in only one form risks missing the richness of the concept. Therefore, this study discusses five types of trust and their influence over the consumer store choice. Disposition to trust is defined as the general tendency an individual has to trust others across a broad spectrum of situations and persons. Calculative-based trust refers to the acceptance of a certain level of vulnerability based on calculations of the relative costs of maintaining or severing a relationship. Institutional-based trust is the trust that develops when individuals generalize their personal trust to large organizations made up of individuals with whom they have low familiarity, low interdependence, and low continuity of interaction. Knowledge-based trust develops over time as a result of the history of interactions that allows the parties to develop a generalized expectation about the other’s behavior. Characteristics-based trust refers to the characteristics that could signal the trustee’s trustworthiness.

Several authors have proposed that trust develops as the relationship matures. In general, these studies have suggested that at the early stage of a relationship, trust is more calculative, being partial and fragile. As the parties increase their mutual knowledge, the reciprocal trust is not so fragile and is not necessarily broken by inconsistent behavior. Finally, at the last stage of the relationship, parties not only know and predict the other’s needs, choices, and preferences but also share them, seeing each other as a single identity.

The first hypothesis suggests that institutional-based and calculative-based types of trust are more relevant for the consumer store choice when she does not have a long history of relationship with the electronic merchant and characteristics-based and knowledge-based types of trust are more relevant when she has a longer history of relationship with the electronic store. Since dispositional trust is a personality trait, it is not dependent on the level of relationship that a consumer maintains with the online store but its effect must be controlled when analyzing the effects of others types of trust.

It is also hypothesized that institutional-based and calculative-based types of trust are less efficient in reducing the perceived risk of the purchase than both characteristics-based and knowledge-based types of trust. Finally, it is hypothesized that institutional-based and calculative-based types of trust are less positively associated with future intentions towards the electronic store than both characteristics-based and knowledge-based types of trust.

To test these hypotheses, a large, convenient sample of people received an invitation by email to participate in the study. The final sample was comprised of 528 respondents. Subjects were asked to think about their last purchase over the Internet and answer the questions.

To assess the relevance of each type of trust for the respondent’s store choice, subjects were asked to read several reasons for choosing an online store to make a purchase from and then indicate how important each reason had been in their store choice process. Each reason corresponded to an item of the four trust types scales (calculative-based, institutional-based, knowledge-based, and characteristics-based). Additional measures included details of the last purchase, the perceived risk of the purchase, the future intentions towards the store, dispositional trust, habits of Internet use, and demographics.

The total sample of 528 respondents was divided into three groups based on the number of purchases made from the store, which was taken as a proxy for the length of the relationship between the consumer and the store. It was used multinomial logistic regression to analyze how much each trust type discriminates the groups formed based on the number of purchases.

Results show that while calculative-based trust is not significant in differentiating the three groups of respondents, institutional-based and characteristics-based types of trust are partially significant in differentiating the groups and knowledge-based type of trust is significant in differentiating the three groups of respondents. Therefore, the first hypothesis must be partially rejected.

The second and third hypotheses were tested via multivariate linear regression analyses. The results support the conclusion that knowledge-based trust is negatively associated with perceived risk (p<.01) and calculative-based trust is positively associated with perceived risk (p<.01). Further, while characteristics-based trust is negatively associated with perceived risk (p<.10), institutional-based trust is positively associated with perceived risk (p<.10). Therefore, the second hypothesis is partially rejected at the significance level of 1% and cannot be rejected at the significance level of 10%.

Finally, the results show that knowledge-based and characteristics-based types of trust are positively associated with future intentions towards the online store (p<.01) while the coefficients for calculative-based and institutional-based types of trust are not significant. Therefore, the third hypothesis is also partially rejected.

Although not all of the results are significant, it seems plausible to say that trust has multiple facets and these facets do not all make equivalent contributions for the consumer store choice.

REFERENCES

Focus Groups–The Neglected Tool For Construct Adaptation In Cross-Cultural Contexts
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EXTENDED ABSTRACT

Abstract
Craig and Douglas (2001) propose that the modification of marketing constructs to suit new cultural contexts is best facilitated through the conduct of personal interviews within the cultures/countries themselves. However, it follows that the group interview, rather than the personal interview should be the choice of the social science researcher who accepts that language and meaning are intersubjectively defined. This paper advances the appropriateness and efficacy of group interaction in general, and focus groups in particular, for construct development and modification.

Introduction
Increasingly, researchers in marketing are making the effort to adapt theories and constructs developed in the world’s more affluent economies to new cultural contexts. Craig and Douglas (2001) recommend that the personal interview is the best tool for testing the cultural and lingual appropriateness of constructs prior to large scale questionnaire administration.

Nevertheless, there is an established body of research grounded in philosophy, psychology and sociology which proposes that meaning is intersubjectively defined (Schutz, 1967; Wittgenstein, 1953; Gadamer, 1992; Fay, 1996). Fay (2003:51) citing Gadamer (1992) convincingly argues that ‘meanings do not exist in the minds, but within the shared domains of activity on the basis of which human beings act and relate to each other.’ If the researcher accepts that meaning is a historical-cultural phenomenon and that the cultural world largely consists of social rules, institutions, language, even rules of expression (Geertz, 1971), then he/she must consider qualitative techniques which engage respondents in an interactive group setting, rather than on an individual basis. However, the use of group interviewing for scale refinement and modification is quite rare in marketing academic circles.

Marketing research has been plagued by reservations concerning the use of focus groups for more than twenty years. Fern (1982) following Calder (1977) recommended that focus groups be utilized only to test the ‘wording’ of questionnaire items. Calder (1977:356) went as far as to suggest that the focus group should not even be used for the generation of hypotheses because it is an unscientific technique which simply cast ‘everyday knowledge into ostensibly scientific terms.’ What is interesting is that the recommendation to restrict the use of focus groups to tasks such as concept development, advertising assessment and the pre-testing of question wording and order has been repeated as recently as 2000 (Cowley) and 2001 (Craig and Douglas). Admittedly, focus groups encourage interaction between average persons with no scientific background, and can result in biased and flawed findings if this interaction is poorly managed by the researcher/moderator. Nevertheless, this study, in addition to a number of research projects in psychology, nursing and health education¹ suggests that effectively administered focus group sessions can deliver superior constructs for use in unfamiliar cultural contexts. Willgerodt (2003:798) proposes that ‘conventional instrument development or validation techniques’ may not be adequate to determine whether an instrument is appropriate for use with populations which differ from those with whom the instrument has originally been developed.

The Study
Five focus groups were conducted on the island of Barbados, to determine the relevance and appropriateness of several constructs in the context of the Caribbean.² Participants, chosen across gender, age ranges, and income and education levels were required to comment on the realism (cultural appropriateness) of 81 statements spread across 8 different multi-item scales. They were also challenged to collaboratively reword any item that was seen to be unnecessarily complicated, or not reflective of how Barbadian persons would express themselves in every day discourse.

Findings
Time Pressures and Concentration Issues
Though each of the sessions lasted approximately 2.5 hours, active participation was noted throughout the process across all five groups! Focus groups are unique amongst qualitative techniques in their provision of ‘down time’. In the group interview, participants can spearhead the discussion by advancing ideas and suggestions or contribute, in less demanding way, by simply supplementing or questioning the propositions of other informants. However, it is not difficult to imagine interviewees in the one-on-one setting becoming tired and overwhelmed if they are required to assess every item in several multidimensional constructs.

Management of Interaction
In the focus group session, great care must be taken to manage the process of interaction, given that individual voices of dissent maybe silenced by a gravitation towards majority opinion and group norms (Kenyon, 2004). In this study, it was critical not only to manage interaction, but to ensure that it occurred only at particular stages.

²DVD of sessions is available for viewing.
One study objective was to identify whether the Patriotism scale was more suited to the Barbadian context than the Nationalism scale (both developed by Kosterman and Feshbach, 1989). Participants were required to privately study both scales, and then indicate, by show of hands which scale was most suitable. ‘Show of hands’ removed the opportunity for participants to influence each other, a key advantage of the one-on-one interview, relative to the group interview.

After the most appropriate scale of the two scales was identified, and the rationale for its selection discussed, then participants were required to speak individually on the realism of each item in the chosen scale. If the item was deemed to be realistic in the context of Barbados, then its clarity and wording came into question. For example, the researcher would ask ‘Mr. X, what do you understand by the statement ‘I love my country?’, and attempt to poll all participants on this scale item. If there was common understanding (clarity of item), then the wording of the statement would be addressed. If it was deemed to be complicated or culturally inappropriate then participants were encouraged to actively work and interact to rephrase the statement in a simpler and culturally suitable fashion.

**Item Exclusion, Item Modification and the Development of Culture-Specific Components**

For example, one item in the Patriotism scale stated -‘Barbados is an institution, big and powerful yes, but still an institution’. For the most part, respondents agreed that (a) the term institution was seen as a building where people worked in the context of Barbadian culture (b) in the scheme of international relations and politics, Barbados was better described as being ‘small and vulnerable’, rather than big and powerful (c) this statement, along with the majority of the items in the Nationalism scale, seemed to be talking about an advanced and militarily strong country such as the United States. Though the participants worked diligently to reward a number of statements in the Patriotism scale, they questioned whether this particular item should be excluded all together. The immediacy and intersubjective nature of the construct refinement process, and the significant level of agreement on the realism and wording of the items within and across groups, gave the authors added confidence in the credibility of modifications proposed. Indeed, the researcher who utilizes personal interviews for this task must summarize and judge the comments of individual interviewees, whereas the focus group allows participants to weigh and assess the comments made by other informants from the same culture, with less imposition by the researcher.

Discourse on the realism of constructs/scales provided excellent information for the identification of aspects of cultural or economic uniqueness not captured by the original constructs. The actual phrases which participants used in speaking on the realism and relevance of the scale laid the groundwork for the development of culture-specific items. In addressing the realism of the CETSCALE3 for example, several groups expressed the fear that overt ethnocentrism maybe offensive to Barbados’ more powerful trading partners, who may then respond negatively to the island’s export offerings. Whether this ‘vulnerability’ dimension is applicable to the Barbadian context, will be determined through the statistical and construct equivalence analysis to be undertaken after the administration of the pilot questionnaire.

**Conclusion**

It is true that the interactive dimension of focus groups can seem intimidating to the inexperienced researcher. Nevertheless, this aspect of group interviewing allows the researcher tap into the benefits of discourse, whereas individual interviewing will allow for exposure to language and terminology only. Lunt and Livingstone (1996:82) propose that ‘conversation, public discussion, even gossip are all important processes in the production and reproduction of meanings in everyday life.’

**References**

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3A measure of consumer ethnocentrism developed by Shimp and Sharma, 1987.
May You Live Forever?:
(Re)writing the Narrative of the Self in a Cremation Volume for a Thai Funeral
Kritsadat Wattanasawan, Thammasat University, Thailand

EXTENDED ABSTRACT

As social saturation in postmodernity has decentred our experience into pieces (Firat and Venkatesh 1995), we are striving to bring together diverse elements into an integrated whole in order to live meaningfully (Gergen 1991). We try to re-organise and unify our saturated self into the narrative self (McAdams 1991; McAdams 1997). We make an effort to coordinate the multiple and conflicting facets of our lives within a narrative framework which connects past, present, and an anticipated future and confers upon our lives a sense of sameness and continuity (McAdams 1988). Ricoeur (1984;1992) also supports that we require a narrative identity for our self, that is, we make sense of ourselves and our lives by the stories we can (or cannot) tell. Presumably, we come to know ourselves by the narratives we construct to situate ourselves temporally and spatially. Coyle (1992) elaborates that a person creates a life story, a biography or a personal narrative in an attempt to impart meaning and coherence to his/her disparate life experiences by forging connections, imposing causality, and making it appear as if his/her life has unfolded or is unfolding in a purposeful way.

The life stories we create are not only a way of telling others or ourselves about our lives but also the means by which our identities are fashioned (Rosenwald and Ochberg 1992). We may not only tell the chronicle of who we are (or have been) but also an imagination of what we wish to become (or to have become). Gabriel and Lang (1995) observe that identity is not only an embellished account of our adventures, accomplishments and tribulations, but also that vital web of truths, half-truths and wish-fulfilling fictions which sustain us. Certainly, in order to carry on our sense of existence, we need to uphold our capacity to keep a particular narrative going (Giddens 1991). Giddens (1991) maintains that we cannot just tell a wholly fictive story—we must persistently incorporate events that occur in the ‘real’ world and arrange them into the ongoing narrative of the self.

Although we attempt to construct a coherent and continuous narrative of our lives, we frequently tell different stories about ourselves in different contexts (Harre 1998; McAdams 1997). Obviously, the narrative self is not just one story told to some generic and anonymous audience. In fact, it comprises several episodes of our lives, and how the quality, value, detail and arrangement of the episodes recounted depends on the person to whom the tale is told, the context of the telling and the aim of the story-teller at that moment in the telling of it (Harre 1998). Nevertheless, each life episode is not totally worlds apart from each other—all episodes still share the main character (i.e., the person whose life story is about), even though the main character possibly appear in a variety of guises, each embody particular facets of her/his narrative self (McAdams 1997). Indeed, some narrative selves can integrate all of their life episodes into a better unified and continuing theme than others, and some narrative selves can even achieve ‘a kind of symbolic immortality’—the narratives that can outlive the embodied self (McAdams 1997).

In Thailand after a person has passed away, the narrative of the deceased may live on in his/her cremation volume. Traditionally, the living relatives would have a cremation volume published and distributed as a souvenir for the funeral guests at a cremation ceremony. A cremation volume usually includes a life history of the deceased and knowledge about something related to the deceased (e.g., if the deceased’s hobby was stamp collecting, the content may include knowledge about stamps). Generally, the content of a cremation volume is prepared by the living relatives; but occasionally it might be earlier prepared by the deceased themselves. Purposefully, a cremation volume is an attempt to maintain or to recreate the narrative of the self of the deceased that the livings (or perhaps the deceased) want others to remember.

This study explores how the livings (re)write a life history of their late beloved in a cremation volume. Interpretive research was employed to study the (re)writing process of a personal narrative in eight cremation volumes. Data collections were through content analysis of the selected cremation volumes and a series of the long interviews (McCracken 1988) of the relatives who involved in the production of those cremation volumes.

The interpretations suggest that the livings utilized a cremation volume to (re)tell a life history of their late beloved so that they could maintain or renegotiate the identity of the deceased. Apparently, a cremation volume was a means to materialise such memories of the deceased’s identities to which the living (or perhaps the deceased) wanted to hold on. Bertman (1979) remarks that memories of the deceased bring continuity and meaning to the existence of the living. Indeed, through memories the deceased come to play many roles in the affairs of the living. By this, the deceased never leave us (Kearl 1997). Thus, through (re)writing the narrative of their beloved, the livings could immortalize the deceased.

Preparing a cremation volume was also a way the livings employed to express their gratitude towards the deceased. It was regarded as the last gift for their late beloved. Evidently a cremation volume also assisted the livings to settle their grief and guilt. The idealization of the deceased’s personal narrative in the cremation volume certainly helped to console the livings. Furthermore, to cherish the deceased’s legacy in the cremation volume was undoubtedly to cherish the living’s life since the living relatives were the extended self of the deceased (Belk 1988). Like the death-ritual consumption in Asante studied by Bonsu and Belk (2003), a cremation volume was employed by the livings to express and affirm their status in society. Having a cremation volume for the funeral signified the elite aspect of the deceased’s family. It was a means to demonstrate that even though their beloved passed away, the family’s legacy would live on.

References
E-trust for Mexican Consumers: Empirical Investigation for Three Dimensions
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JungKun Park, Purdue University, USA

EXTENDED ABSTRACT

Abstract
E-trust has gained importance in online consumer behavior researches. Many studies find that e-trust is critical in building positive e-tailer consumer relationships, but only a few investigate different levels between dimensions of trust and willingness to depend for e-tailers. Primary purpose of this study is to find causal relationships between perceived website quality, perceived reputation, and perceived risk as determinants for three dimensions of trust, ability, benevolence, and integrity, depending on online experience level. Data were collected from 140 Mexican internet users. Proposed model tested using structural equation modeling and identified different level of willingness to depend on the e-trust dimensions.

Introduction
The Internet has changed the way consumers exchange their goods or services and relationships between the seller and buyer. This emergence of online shopping has revolutionized the retail environment. Researchers have given much attention to the e-world and those elements that affect its successes and failures. While this innovative form of e-commerce is forecast to grow rapidly, recent market surveys have reported that still a lot of online shoppers tend to be reluctant to make purchase through the Internet (Lee & Turban, 2001). Principal among the concerns of e-retailers are privacy and security issues that plague online shoppers as ever present threats (Hoffman, Novak, & Peralta, 1999). Consumer trust for online transactions has recently received growing attention within online shopping research as much in traditional offline setting. Trust has been studied to determine how it is established and maintained. Three distinct dimensions of trust—ability, integrity and benevolence—have emerged. The present study aimed to determine whether antecedents (i.e. degree of online experiences, reputation, website quality, and perceived risk from consumers) impacted e-trust dimensions differently and whether the various e-trust dimensions contributed differently to willingness to depend on an e-tailer for Mexican consumers. Mexico is a primary economic partner of the U.S in North America in the NAFTA. Economical and social conditions are different in Mexico including the Internet development in the aspects of consumers and infrastructures. The number of Internet domains in Mexico increased from less than 3,000 in December, 1996 to more than 60,000 in December, 2001 and the visit rates to e-store are similar to countries such as Germany and France (Palacios 2001). In year 2004, e-commerce sales were expected to reach $107 billion only in Mexico and $81.8 billion in the rest of Latin America (Jones and Tullous 2001). It is clear that Mexico is an attractive market for U.S. retailers for borderless market entry.

Despite the significance of e-trust, there is a scarcity of empirical research on the nature of trust and its dimensions with antecedents in the specific context of online shopping such as cultural differences in consumer marketing (Geyskens, Steenkamp & Kumar, 1998). Since e-trust researches have been limited to U.S. context (Tan & Thoen, 2000; Ba & Pavlou, 2002), the article attempts to fill the gap by investigating online consumers in Latin culture: Mexico. However, the trust theories and mechanisms developed in the U.S. context might not apply for other cultures, in that cultures can be considered the influential factors which may affect the trust mechanisms (Sako & Helper, 1998). Thus, there is a need to re-investigate the concept of e-trust and its mechanisms in the context of different markets and cultures (Lee & Turban, 2001).

Conceptual Background
Many researchers have studied the influence of perceived trustworthiness on building trust in the online shopping context (Lee & Turban, 2001). Although several researches approached trust as one dimensional construct (Javenpaa, 1999, 2000; Merrilees & Fry, 2003), this research is fundamentally based on the fact the trust is multiple dimensional constructs (Singh & Sirdeshmukh, 2000). Following
earlier studies, ability, integrity, and benevolence are consistently related dimensions to explain trust in most studies (Mayer, Davis & Schoorman, 1995). Chen & Dhillon (2003) argue that an overall measure of consumer trust can be accounted for by using these dimensions. Past research has revealed support for the same three main dimensions that reflect the multifaceted nature of trust (Doney & Cannon, 1997). Ability involves the e-tailer’s competence of fulfill the needs of the consumer (Selnes, 1998). Integrity entails qualities such as honesty, fairness and responsibility of the e-tailer while benevolence refers to the e-tailer’s willingness to act on the consumer’s behalf. Thus, we expect to find multiple relationships between e-trust dimensions for e-tailer.

A web site with high quality will improve users’ trustworthiness for e-tailers (McKnight, Choudhury, & Kacmar, 2002) while, reputation reduces uncertainty, and therefore increases trust (Chen & Dhillon, 2003). Additionally, consumers are more willing to depend on e-tailers that they believe have a stronger reputation (McKnight et al., 2002). However, in the case that the e-tailer only exists online, reputation and perceived quality must be dependent on secondhand information and personal experience with the website, degree of online experiences. The perception is e-tailers who are of good standing are less likely to endanger their reputation by taking advantage of consumers and are therefore thought to be more trustworthy (Jarvenpaa, Tractinsky, & Vitale, 2000). Thus, we expect to find a positive relationship between perceived e-tailer reputation, website quality and e-trust in e-tailing context.

As an e-commerce is comparably new kind of commercial activity for Mexican consumers as well as Internet shopping is even riskier, stabilized trust to e-tailer can reduce online shoppers’ perception of the risks. As consumers perceive higher risk, they expect the high level of trust for the specific e-tailer to make a transaction. In this perspective, consumers who generally have high level of perceived risk related to the online shopping context are likely to tend to have a lower level of trust to the specific e-tailer. Based on the foregoing, following model of e-trust for Mexican consumers within three dimensions are proposed:

Methodology

An online survey was utilized for data collection. After distribution of an e-mailed invitation to 1,000 potential Mexican subjects, 140 respondents filled out and submitted the survey (response rates of 14 percent). The survey was completed anonymously and on a voluntary basis. The nature of the information being gathered made the online process an ideal method for data collection due to the characteristic of e-trust research. The population for this study consisted of all online consumers who reside in Mexico. The online survey software utilized to collect and distribute also screened to prevent respondents from taking the survey more than once. In this way, the validation error was minimized. Coverage error may not be a problem since the study was designed to only survey people who use electronic mail. Data collected included perceived e-tailer’s reputation, website quality, risk, trust in an e-tailer which was comprised of three separate dimensions, and willingness to depend. Structural Equation Modeling (SEM) was employed to test the proposed paths.

Results and Discussion

Findings from the research are expected to extend trust and e-commerce theories, and be utilized to guide the strategic efforts of e-business to enter new markets in Mexican online market. The original model of this study relate to three variables as determinants for three dimensions of trust: ability, benevolence, and integrity, depending of online experience level. Different measures are used to test the model fit between three different dimensions. Since there is no single recommended measure of fits for the SEM, a variety of measures are used to evaluate these models as follow.

On the basis of this study, it appears that perceived e-tailer reputation and website quality positively contribute to e-trust. These antecedents are unique e-environment and have been demonstrated to have significant effects not only on the trusting beliefs, but also indirectly on a consumer’s willingness to depend on an e-tailer. This provides further evidence for the importance of trust in the online retail environments. In terms of the antecedents and their impact on the different trust dimensions, the results were quite interesting. Perceived reputation was the strongest contributor to trust building in an e-tailer within three dimensions of trust. This in itself has important implications, since reputation is both under the control of the e-tailer and consumers’ word-of-mouth. This finding underlines the importance of establishing and maintaining a good reputation among consumers. Perceived reputation is the most essential factor for fostering e-trust and mediating consumers’ willingness to depend on e-tailer. Overall, website quality is the second most important predictor of e-trust in an e-tailer among the three proposed antecedents except integrity dimension. When evaluating the three trust dimensions separately, however, perceived website quality is markedly more relevant for ability and benevolence than for integrity. Each trusting model demonstrated a strong and significant path from trust in an e-tailer to a willingness to depend on an e-tailer. The implication is that trust, overall and with each specific dimension, is important for building a relationship with online consumers. This study suggests strong implications for foreign e-tailers wanting to strengthen their ties with Mexican consumers through trust. The results demonstrate different trust dimensions impacting e-trust in different ways. Moreover, this study shows that increasing e-trust can increase consumers’ willingness to depend on the e-tailer, which is essential for securing and maintaining successful business in the online retail environment.

References

FIGURE 1
Conceptual Model of E-trust for Mexican Consumers within Three Dimensions

![Diagram of the Conceptual Model of E-trust for Mexican Consumers within Three Dimensions]

TABLE 1
Model Fits of Three-dimension Models of Consumer E-trust

<table>
<thead>
<tr>
<th>Fit Measures</th>
<th>Fit Guidelines</th>
<th>Ability</th>
<th>Benevolence</th>
<th>Integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$</td>
<td>p = 0.05</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$\chi^2$/df</td>
<td>3.0</td>
<td>1.544</td>
<td>1.285</td>
<td>1.813</td>
</tr>
<tr>
<td>GFI</td>
<td>.90</td>
<td>.914</td>
<td>.933</td>
<td>.902</td>
</tr>
<tr>
<td>TLI</td>
<td>.90</td>
<td>.965</td>
<td>.978</td>
<td>.949</td>
</tr>
<tr>
<td>CFI</td>
<td>.90</td>
<td>.975</td>
<td>.985</td>
<td>.963</td>
</tr>
<tr>
<td>RMSEA</td>
<td>.08</td>
<td>.063</td>
<td>.045</td>
<td>.076</td>
</tr>
</tbody>
</table>

TABLE 2
Coefficients of Three-Dimension Models of Consumer E-trust

<table>
<thead>
<tr>
<th>Path</th>
<th>Ability</th>
<th>Benevolence</th>
<th>Integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust $\rightarrow$ Willingness to Depend</td>
<td>.86 **</td>
<td>.86 **</td>
<td>.83 **</td>
</tr>
<tr>
<td>Trust $\leftarrow$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td>.80 **</td>
<td>.77 **</td>
<td>.97 **</td>
</tr>
<tr>
<td>Website Quality</td>
<td>.27 **</td>
<td>.40 **</td>
<td>.03</td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>.06</td>
<td>.01</td>
<td>-.14 **</td>
</tr>
<tr>
<td>Reputation $\rightarrow$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Web Quality</td>
<td>.55 **</td>
<td>.54 **</td>
<td>.54 **</td>
</tr>
<tr>
<td>Online Experiences $\rightarrow$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td>.42 *</td>
<td>.41 *</td>
<td>.45 *</td>
</tr>
<tr>
<td>Website Quality</td>
<td>.09</td>
<td>.11</td>
<td>.13</td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>-.37 *</td>
<td>-.36 *</td>
<td>-.37 *</td>
</tr>
</tbody>
</table>

** p<0.01, * p<0.05
The Effect of Public Commitment on Resistance to Persuasion: Preliminary Findings
Prashanth U. Nyer, Chapman University, USA
Mahesh Gopinath, Old Dominion University, USA

EXTENDED ABSTRACT

Abstract
We find that individuals who publicly declare their positions on an issue (i.e. make a public commitment) are more resistant to persuasion. The study explores the psychological processes underlying this phenomenon, in particular the role played by Attitude Certainty in mediating the effect of Public Commitment on Resistance to Persuasion. The study also finds that among the individuals who engage in public commitment, those high in the personality trait of Preference for Consistency are more likely to be resistant to counter-attitudinal persuasion.

Introduction
This working paper summarizes the findings from the first of a few ongoing research studies that examine the impact of public commitment on resistance to persuasion. The findings indicate that subjects who make a public commitment to their initial position on an issue (by stating their position in a public manner), are less influenced by a counter-attitudinal message compared to subjects who do not make a public commitment to their initial position.

According to Kiesler, (1971) commitment is a binding of the individual to the position implied by his act or decision, and a key determinant of the magnitude of the commitment is the publicness with which the individual declares his/her commitment to a position. The more publicly one states one’s attitudes, the more one is committed to and locked to that position (Hollenbeck, Williams, and Klein 1989). Cialdini & Trost (1998) found that commitments made in public tend to be more persistent than commitments made in private. Pallak, Cook, and Sullivan (1980) argued that attitudes stated publicly are relatively stable and are more likely to result in behaviors consistent with the attitudes. Various studies have shown that individuals who make a public commitment to a goal are more likely to engage in behaviors consistent with that goal (Dellande and Nyer, 2005; Pallak and Cummings, 1976).

How does public commitment influence attitude and behavior? As Tedeschi (1981) noted, people have a strong desire to appear consistent and rational in the eyes of others. When individuals publicly state their position on an issue, they may be motivated to stay consistent with their publicly stated position to avoid anticipated personal and social disapproval for any failure to do so (Parrott et al. 1998). It is therefore possible that personality traits such as Preference for Consistency (PFC) could influence the effect of public commitment on attitudes and behavior. Individuals high in PFC are expected to exhibit higher levels of resistance to persuasion since these individuals place great value on being viewed as consistent.

Further, using Bem’s attribution theory, we argue that individuals who make a public commitment to an issue will evaluate themselves as being more confident in the position that they have taken.
Study

An experiment (approved by the Institutional Review Board) was conducted using 118 undergraduate student subjects participating in a computer-based exercise administered in a computer lab. Each subject was seated before a computer and began by answering a survey which included six measures of SNI (adapted from Bearden, Netemeyer, and Teel 1989), and six measures of PFC (adapted from Cialdini, Trost and Newsom, 1995). The subjects were then shown a billboard ad for a new Italian fast-food restaurant. The subjects were instructed to evaluate the ad slogan using three seven-point scales. This was followed by two measures of the subjects’ certainty (Certainty) in their evaluations of the ad slogan.

A randomly selected half of the subjects who were assigned to the ‘no public commitment condition’ moved on to the next task while the remaining half who were assigned to the ‘public commitment’ condition were requested to provide consent to having their evaluations be made public on a web site. These subjects were informed that their evaluations, along with their names would be visible to other study participants soon afterwards. While the ‘public commitment’ subjects were led to believe that their evaluations had been made public, in reality they were not. All subjects then participated in various filler tasks.

Each subject was then exposed to a screen that provided what was purportedly the evaluation of the ad slogan by students at a different university. Subjects who had evaluated the slogan unfavorably were informed that the slogan had been favorably evaluated by the students in the other school (an average of six on the seven-point scales, where larger numbers represent more favorable evaluations). On the other hand, subjects who had evaluated the slogan favorably were informed that the slogan had been evaluated unfavorably by the students in the other university (an average of two on the seven-point scales).

This was followed by further filler tasks. A research assistant interrupted the proceedings at this point and informed the subjects of a problem with the computer database, and requested the subjects to evaluate the ad slogan once again on a printed questionnaire (which was then handed out) using the same three seven-point scales.

Analysis

All the measures used in the study were found to have high levels of reliability. An ANCOVA was conducted using the two levels of public commitment as the experimental factor, and the pre-post change in ad slogan evaluation was used as the dependent variable. PFC, and Certainty were used as covariates. The analysis showed that the main effect of public commitment and both covariates (PFC and Certainty) had significant effects on attitude change. Higher levels of public commitment, Certainty, and PFC led to higher levels of resistance to persuasion.

Discussion

The study demonstrates the ability of public commitment to lock individuals to their publicly stated positions. The analysis also indicates that individuals high in PFC are more likely to be influenced by public commitment and thus these individuals are likely to become more resistant to counter-attitudinal influence. Further, the analysis indicates that one of the psychological mechanisms underlying the effect of public commitment is the individual’s confidence in his/her evaluation, with those individuals who make public commitments becoming more confident in their evaluations and thus becoming more resistant to counter-attitudinal persuasion.

References

It’s Not Just What You Eat, But Where You Eat: Regional Perceptions of Authenticity in Mexican Restaurants
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Natalie Wood, Saint Joseph’s University, USA

EXTENDED ABSTRACT

Cultural interpenetration, “the exposure of members of one culture (or subculture) to another through direct experience and/or indirectly through the media or the experiences of others,” is a growing trend in the United States (Andreasen, 1990). Cultural exposure is impacted by a variety of “image formation agents” (i.e. direct contact, news and popular culture, etc.) (Gartner, 1993), with ethnic themed restaurants providing another point of contact to experience a foreign culture (Germann Molz, 2003). However, an individual’s determination of the restaurant’s authenticity is influenced by their own set of experiences (Lu and Fine, 1994; Germann Molz, 2003), with one intervening factor being the consumers’ proximity to the host culture. The purpose of this study is to investigate how geography (distance from the host country) mediates individuals’ perceptions of “authentic” Mexican themed restaurants and to identify which information sources influence their beliefs.

Mexican ethnic restaurants and cuisine have become mainstays within the American culture. Beyond the dissemination of Mexican food, these ethnic restaurants (primarily casual dining) are also educating consumers about the Mexican culture through their interior design and atmospheric components. Increasingly, consumers are seeking more “authentic” Mexican cultural experiences (Gerst, 2005). While some chains have heeded this call by providing more regional dishes and flavors, others have not fully capitalized on this notion of authenticity. Furthermore, these restaurants often do not realize the role they play as a cultural arbiter. For many consumers, these quasi-real environments may literally constitute their sole contact with a foreign culture. Thus, the following research questions are posed: 1. What, if any, regional differences exist (within the U.S.) between consumers’ perception of what is authentically Mexican? 2. Who are these image formation agents? and 3. What implications does this have for those in the hospitality and tourism industries?

In order to determine U.S. regional differences, respondents were recruited from two U.S. regions with differing proximity to Mexico (San Diego, CA and Northern, NJ). The study was completed in two parts. In part one, a convenience sample of 26 consumers (13 per region) was recruited from the Northeast and Southwest regions the United States. Respondents were asked to prepare a collage depicting what in their mind represented an authentic Mexican restaurant. They were also asked to prepare a brief report (2-5 pages) explaining each of the images contained within the collage and their contribution to creating an environment that is an accurate reflection of Mexican culture. The collages were analyzed by the researchers and common themes and elements noted. The findings from the collage exercise were then utilized to create a survey which was posted online and distributed to a convenience sample of consumers in the Southwest and Northeast United States. Utilizing a series of multiple choice and five-point Likert scale questions, respondents were asked to identify factors that formed a barometer for measuring authenticity and questions pertaining to how they formed their expectations regarding what is authentically Mexican. Three hundred and thirty eight responses were received, of which 180 (53%) were from the Southwest and 158 (47%) from the Northeast.

Overall, both samples responded (on a Likert scale of 1-5) that the most important element contributing to perceived authenticity was food (M=4.7), whereas artifacts such as flags, sombreros, etc., were the least important (M=3.2). A regional comparison of restaurant attributes found numerous significant differences. For example, Northeast restaurant patrons were more likely to consider the interior design and their contribution to creating an environment that is as Mexican culture. The collages were analyzed by the researchers and common themes and elements noted. The findings from the collage exercise were then utilized to create a survey which was posted online and distributed to a convenience sample of consumers in the Southwest and Northeast United States. Utilizing a series of multiple choice and five-point Likert scale questions, respondents were asked to identify factors that formed a barometer for measuring authenticity and questions pertaining to how they formed their expectations regarding what is authentically Mexican. Three hundred and thirty eight responses were received, of which 180 (53%) were from the Southwest and 158 (47%) from the Northeast.

Overall, both samples responded (on a Likert scale of 1-5) that the most important element contributing to perceived authenticity was food (M=4.7), whereas artifacts such as flags, sombreros, etc., were the least important (M=3.2). A regional comparison of restaurant attributes found numerous significant differences. For example, Northeast restaurant patrons were more likely to consider the interior design (MNE=4.0 MSW =3.5, t(332)=4.328, p<.001) and ambience (MNE=4.0 MSW =3.7, t(331)=2.754, p<.01) were more important elements compared to the Southwest sample. Furthermore, the Northeast sample relied upon more stereotypical Mexican associations (e.g. tequila), than the Southwest.

The set of expectations regarding what constituted an authentic Mexican restaurant was mediated by different “image formation agents” for each region. Respondents were asked (on a Likert scale of 1-5) the extent to which they rely upon other restaurants, family and friends, and the media as a frame of reference for determining the authenticity of a Mexican restaurant. Overall, the most influential was family and friends (M=3.7) and least influential, television (M=2.4). Respondents in the Northeast were more likely to rely on television (MNE=2.6 MSW =2.2, t(324)=5.807, p<.001), movies (MNE=2.7 MSW =2.3, t(333)=2.981, p<.01) and advertising (MNE=3.0 MSW =2.5, t(332)=3.868, p<.001) when compared to the Southwest.

Prior research has readily acknowledged that foreign cultures are perceived differently between countries, yet geographic differences which exist within a country also need to be examined. The “think global act local” concept, which is largely applied for international marketing, also needs to be considered when marketing a foreign culture nationally. What consumers expect to encounter and what they consider important within a restaurant differs, in this research, between the Northeast and the Southwest United States. Respondents further away from the host country, held somewhat more stereotypical cultural expectations and considered various atmospheric components to be significantly more important when determining a restaurant’s authenticity. These findings have direct implications for those involved in the marketing of cultures.

Lastly, this research revealed that consumer expectations of authentic Mexican restaurants are formed from a variety of sources (i.e. family, media, direct exposure, etc.) for both regions, however, the reliance upon the mass media was greater the further the distance from the foreign culture. Thus, creating a service encounter that relies on authenticity as a point of differentiation necessitates an understanding of where/how consumers construct their set of cultural expectations and what specifically those cultural expectations entail. Mexican restaurants positioning themselves as “authentic” need to address their proximity to Mexico and alter their interior design and food offerings to match their consumers’ criteria.
References

Consumer Satisfaction and Loyalty in the Supermarket Industry in Brazil
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EXTENDED ABSTRACT

Summary
Firms in today’s competitive markets seek long-standing relationships with their clients. The literature in the field shows that considerable efforts are made in building relationships, and customer loyalty is at the heart of this Marketing orientation (MÜCKENBERGER, 2001).

This orientation has numerous motives. First, loyalty increases market share, and sustained profitability due to recurring revenues. Second, loyalty helps firms reduce acquisition cost, which is often higher than the cost of retaining customers (JONES and SASSER, 1995). Loyalty results in repeat purchases and increased transactions. Fourth, loyalty protects the relationship with the customer from competitor offers, and this in turn facilitates premium pricing, bringing additional revenues for the firm.

This research investigates the antecedents of customer loyalty and satisfaction of credit card customers issued by Carrefour, a large French hypermarket chain operating in Brazil, with nearly 200 stores. 400 customers were surveyed, with data collected with regard to product use, customer demographics, preferences, habits, perceptions of quality and satisfaction, and likelihood to recommend the product or increase usage.

In terms of academic contribution, this investigation helps marketers understand the drivers of customer loyalty, as well as appreciating the characteristics of consumers in Brazil, a developing country with a large population of low-income customers and limited credit offerings. Another important contribution is the proposition of a loyalty model specific to the Retail industry.

Conceptualization
The satisfaction and loyalty model tested in this work is founded on the Expectation Disconfirmation model (OLIVER, 1980), defined as a psychological process of congruence between consumption and an internal referent, pre-existent to the service encounter (HOWARD and SHETH, 1969).

According to the Disconfirmation model, satisfaction (a) is an evaluation, (b) which occurs after the encounter, and (c) is specific to a transaction. Since stronger emotional responses occur in the first encounters, there are diminishing returns in terms of satisfaction.

Another construct is Equity (ADAMS, 1965), defined as the cost incurred and benefit gained by a party, and compared with those of the other individual. Inequity occurs when an individual perceives imbalance in the distribution of benefits, in light of the resources employed. Equity relates to perceptions of price, customer treatment, and the manner with which procedures are distributed (FORNELL et al, 1994; GANESAN, 1994).

According to DICK and BASU (1994), factors other than customer attitude affect consumption, for example, price and barrier to access. Similarly, WICKER (1969) and EHRLICH (1969) point that the social environment influences customer behavior.

Loyalty is the central construct of the model tested. Two loyalty dimensions exist according to DICK and BASU (1994), and LARÁN and ESPINOZA (2004). Behavioral loyalty corresponds to recurring customer behavior, typically measured through the number of transactions, monetary value, frequency, and transaction recency.

The other component of loyalty is attitude. According to SIRDHESHMIUKH, SINGH and SABOL (2000) and SHETH, MITTAL and NEWMAN (1999), the customer’s attitude is a critical determinant of loyalty. Behavioral loyalty could be high simply because there are no alternatives—for example, when the consumer lives in an area where there are no other competitors. Attitudinal loyalty is operationalized as the intent of the customer to recommend the product, or to increase use of product.

Method
The analytical method of choice given our research objectives is Structural Equation Modeling.

A sample of 400 Carrefour cardholders was selected from the company’s database, and contacted by telephone in order to collect their perceptions of quality, value, satisfaction, intent to recommend and increase usage. In the event that the customer could not be contacted, the sampled customer was replaced by the subsequent record. A total of 4,573 contacts were needed to reach the target sample, which corresponds to 8.7% response rate.

The company’s database provided information of quantity of transactions, average ticket size, frequency of purchase, and demographics.
The variables and corresponding measurement models are given below:

- Equity is a consequent of two constructs, quality and value. Quality was captured through the following questions: “trust”, “quality products”, “community orientation” and “courteous service”. The measurement model captured 48% of the variance.
- Value was assessed on the telephone interview through perceptions of “good price”, “market orientation”, “market leadership” and “worth to shop”. The model captured 55% of the total variance.
- Satisfaction was operationalized through the following questions: “satisfaction with Carrefour”, “satisfaction with the card”, “ease of use of the card” and “card is hassle-free”. The measurement model captured 51% of the variance.
- Economic capacity was captured on the interview using the Social Class criterion of the Brazilian Association of Market Research Firms, as well as from income and credit limit database information. The model captured 64% of the total variance.
- Attitudinal loyalty was operationalized through the following questions: intent to recommend the product, and intent to increase usage. The measurement model captured 47% of the variance.
- Behavioral loyalty was measured from database variables such as frequency, quantity of transactions, and average spend. The measurement model captured 75% of the total variance.

Cronbach’s Alpha scores were calculated to verify the consistency of the measurement scales. For Value, the Alpha=0.7271 drops when an indicator is deleted. Similarly, for Quality the Alpha=0.7257 drops, and for Satisfaction Alpha=0.6742 drops when an indicator is removed from the scale, thus the measurement scales are consistent.

Major Findings

The structural model loadings are:

- **Equity → Satisfaction**: $\lambda = 0.51$
- **Equity → Attitudinal Loyalty**: $\lambda = 0.36$
- **Satisfaction → Attitudinal Loyalty**: $\lambda = 0.27$
- **Economic capacity → Attitudinal Loyalty**: $\lambda = -0.11$
- **Economic capacity → Behavioral Loyalty**: $\lambda = 0.35$

The significance of the other links was low. SEM performance indicators (P=0.21; RMSEA=0.035; NFI=0.99), as well as normalized residuals (HAIR et al., 1998) allows us to conclude that the model is plausible.

The influence of Satisfaction over the Attitudinal Loyalty means that satisfied customers recommend the product or increase usage.

Economic capacity drives Behavioral Loyalty. Purchase frequency, average ticket and average spend increase with customer’s purchasing power.

An interesting result is the influence of Economic capacity to Attitudinal Loyalty. First, attitude is more influenced by the other variables. Second, the economic capacity’s negative value means that Economic capacity translates to positive attitudes. For instance, affluent cardholders do not promote the product, but low-income customers do, as we would expect in private label credit cards.

Equity is the most important antecedent of Attitudinal Loyalty.

References


Measuring The Relationship Building Capacity of Online Marketing Communications
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EXTENDED ABSTRACT

Abstract
The consumer-brand relationship quality construct (CBRQ) can provide empirical evidence of brand community cohesion and loyalty behavior in the virtual world. This exploratory study examine the relationship quality experienced towards the brand of the favorite website in the French baby & toddler sector. Five online communication tools (newsletters, forums, chats, games and clubs) were analyzed according to their CBRQ score. Our sample was composed of mothers with young children belonging to ‘Institut des mamans’, an Internet panel accessed via Maman.fr. As expected, we found that users of online services and brand buyers show stronger CBRQ compared to non-users and non-buyers.

Introduction
The Internet is changing the way people communicate, socialize and collaborate, thus affecting the consumer’s social behavior. Additionally, the emergence of the relational paradigm places the management of the firm’s relationships at the core of the value-creation process (Grönroos 1997, 2000, 2002).

In that context, managers and researchers require further understanding of the relationship building capacity of online communications to evaluate and justify the related marketing investments. Here, it is necessary to consider not only instrumental metrics, such as conversion/purchasing rates and incremental sales, but also metrics focusing on the emotional and social impact of virtual communications.

Theoretical background
Brands have frequently been characterized using metaphorical concepts. One stream of research has focused in the personality of the brand (e.g., Aaker 1997; Helgeson and Supphellen 2004). Another stream of research has used the interpersonal relationship theory to extend the notion of brand personality to the personification of the brand as a relational partner (e.g., Fournier 1994, 1995, 1998; Thorbjørnsen et al. 2002).

For Fournier, the holistic character of consumer-brand relationships implies that the meaning of a given relationship could be a function of other relationships not only those directly established with the brand (i.e. consumer-to-consumer). Similarly, the term brand community has been widely used to define the multiple social structures and networks arising around a brand (e.g., Muniz and O’Guinn 1996, 2001; McAlexander, Schouten, and Koenig 2002; Kozinets 1999, 2002; McWilliam 2000; Cova 1997, 2002).

One way of promoting and strengthening a kind of community around the brand is through online and offline brand communications. For Aggarwal and McGill (2001), brand communications could produce diverse relationships and behavioral norms which influence the way in which consumers process brand information and experience affection toward the brand. In that perspective, the brand becomes a more dynamic, affective, and community-oriented entity.

Revisiting the consumer-brand relationship quality framework
Susan Fournier (1995, 1998) proposes the brand relationship quality construct as an alternative measurement tool to assess the broad spectrum of consumer-brand relationships. Fournier’s framework has already been tested in different research areas (e.g., Fajer and Schouten 1995; Aggarwal and McGill 2001; Thorbjørnsen et al. 2002). But, only Thorbjørnsen, Supphellen, Nysveen and Pedersen have applied this methodology to study the relationship building capacity of two interactive applications using laboratory experiments.

The research purpose
The objective of this research is to further explore the consumer-brand relationship quality associated with the use of online communication tools by using an authentic virtual setting. In order to do so, we translated and adapted the brand relationship quality scale (Fournier 1998, Thorbjørnsen et al. 2002) to the French context. We test whether or not online communications users and brand buyers develop stronger relationships than non-users and non-buyers.

This research has been supported by CONACYT (Mexico) and Fondation HEC (France). We also thank the support of the ISC (France).
The sector and sample choice

The sample consisted of mothers and expectant mothers who belong to the online panel of the “Institut des Mamans”. This institute specializes in market research targeting mothers and expectant mothers. The panel, accessed via the web site Maman.fr, has more than 15,000 members from all socio-economic levels. We chose a high-commitment situation such as parenting, more specifically, motherhood, to unify our sample under a common interest and life cycle context. Mothers could be described as high-involvement consumers. Warrenting and Shim (2000) found that high-involvement consumers seem to be “more motivated to search for and actively process product and store-related information”. Also, in this life cycle stage, mothers, especially first-time mothers, usually have a predisposition to look for (or give) advice and share (or listen to) motherhood-related experiences.

The online survey

Our first online survey was launched via the web site Maman.fr. The members of the panel who completed the survey were entered in a gift lottery. The response rate was around 20%. There were 606 completed questionnaires used in the final analysis. The questionnaire included 65 items measuring: the Internet experience, the knowledge and preferences regarding online services and parenting web sites, the relational orientation of participants and the consumer-brand relationship quality toward the favorite brand web site. Ten additional items cover the socio-demographic profile. The questionnaire was pre-tested (offline and online) as part of the survey development process. We administered the survey in SPHINX and then transferred the final database to SPSS for the statistical analysis.

The consumer-brand relationship scale used was composed of seven dimensions: Love & Passion, Trust, Self-connection, Commitment, Quality of the brand as a partner, Intimacy and Nostalgia. The high correlation among these dimensions guided us to build a global score of the consumer-brand relationship quality (CBRQ). The reliability analysis integrating all dimensions generates an alpha of 0.96.

Main findings

We found that the use of online communication tools, widely spread among e-moms, is related with a more favorable perception of the consumer-brand relationship. Online communication users show in all cases higher scores of brand relationship quality compared with non users. Also, there were significant differences in the perception of the consumer-brand relationship quality among regular buyers, occasional buyers and non-buyers (F(2,603)=70.06, p<0.0001). As expected, regular buyers showed the strongest relationship quality and non-buyers the weakest relationship quality.

Two main groups of online communications services were identified. The first group, composed of individual-oriented tools (ex. Newsletters, games), generate weaker relationship quality perceptions. The second group, formed by community-oriented tools (ex. Chats, forums, clubs), show greater relationship quality perceptions. Those who declared not using any online communication tool perceive the weakest relationship quality. There was an overall significant effect according to the online communication tool used (F (6, 599)=4,792, p<0.0001).

These findings provide empirical evidence of the relationship-building capacity of online marketing communication. Some services (ex. Newsletters, games) are more suitable to reinforce the commercial exchange (short-term perspective) and others (ex. Chats, forums, clubs) to foster brand identification and affiliation (long-term perspective). These results go along with Prandelli and Verona’s propositions (2001) about the need to differentiate between lock-in and affiliation strategies to compete in the Internet and therefore, the importance of using the right tools for each type of strategy.

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Virtual Communities as Reference Groups on Consumer Decision Process
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EXTENDED ABSTRACT

The preferences of individuals are often shaped by the groups to which they belong, by their desire for social acceptance (Solomon 2002), and by their beliefs and values—depending on the cultural context in which they are inserted. The tendency to investigate consumers as individuals free from influences leads to incomplete understanding of the mechanisms that guide their consumption activities. The influence of groups with which consumers identify and relate is one of the most important forms of persuasion ever studied by marketing.

Consumer behavior literature (e.g. Bearden and Etzel 1982, Venkatesan 1966) identifies two main forms of personal influence: reference groups and opinion leaders. Reference groups are able to expose individuals to a new lifestyle, influence their self-image and attitudes, besides making social pressures that can affect their choices concerning brands and products. Family, professional groups, community organizations, and friends are considered to be the main reference groups.

In this study, we highlight the importance of including social and cultural aspects in consumer behavior research. Considering the development and dissemination of the Internet, a technology that bring extremely different people in terms of location and characteristics closer, it is likely that reference groups for consumers connected to the world wide web are not the same from almost fifty years ago.

As a recent, though expressive, form of human grouping, online communities are a rich and abundant source of information on the different meanings and symbolic aspects involved in consumer decision processes. There are several definitions and types of online communities. However, researchers in different areas are unanimous in affirming that online communities can be conceptualized as social aggregations that are formed in the Internet when a certain number of people lead “public discussions with sufficient human feeling to form webs of personal relationships in cyberspace” (Rheingold 1993).

The nature of the relationships in online communities has a great variation. Participants might be exchanging technical information or advice, making comments about other participants, receiving or providing moral support, sharing feelings or secrets, even doing business or falling in love. Anyway, they “do just about everything people do in real life, but leaving their bodies behind” (Rheingold 1993).

This research aims at investigating online communities to verify their role as reference groups at different stages of the decision processes. It also aims at verifying possible differences concerning the extent of the group influence on novice and expert consumers (Tinson and Ensor 2001) and on higher involvement products/services (De Valck et al, 2003).

There are several qualitative methods that can help to obtain strategically important information on online communities (e.g. in-depth interviews and focal groups). Among them, Dholakia and Zhang (2004) point out netnography, developed by Kozinets (1998) as a qualitative research methodology that adapts ethnographic research techniques to study computer-mediated communities and cultures, providing marketers a way to access natural occurring behaviors “such as searches for information by and communal word of mouth between consumers” (Kozinets 2002).

Netnography is faster and less expensive than the traditional ethnography, besides being more naturalist and less intrusive than focal groups and in-depth interviews. Nevertheless, it presupposes the participation of the researcher in the group to be investigated and their acknowledgment as a cultural member of the community (Kozinets 1998).

The method also offers a close relationship to informants, since it makes possible the continuous access to community before, during, and after the research process (Kozinets 1998). Some limitations of netnography are due to its focus being restricted to online communities, the need for researcher interpretive skill, and the lack of reliable data to identify informants, which leads to difficulty of generalizing results. It must also be taken into consideration the fact that computer-mediated communication is essentially text-based, lacking the support of observational data, modifying the form by which the information is analyzed and processed by the researcher and also by the community members (Kozinets 1998, 2002).

This research follows a four-stage sequence: (1) determining the virtual community to be investigated through lurking; (2)Entrée—comprehending the presentation of the research to community members, obtaining consent for using posts, and the incorporation of the...
researcher in the group, (3) data collection using participant observation and in-depth interviews, and data classification; (4) data analysis and interpretation and validation of findings concerning the members of the investigated community and another similar community.

The investigated community, “Pregnancy and Maternity”, is not a consumption community, but its theme implies in several discussions on choosing products and brands related to the gestational period, maternity and babies. It is based in the Orkut, a popular community site linked to Google. The program was created by a Turkish called Orkut Buyukkokten and launched in January 2004. In less than two months, it became the main relationship site in the world. Brazilians currently account for more than 60% of almost 5 million Orkut users.

At Orkut, users can create and take part in communities, as well as keep a personal page with a profile, which can have information such as name, age, musical tastes and food preferences. The veracity of such information depends solely on the individual, but it can serve as a clue for the researcher to characterize the surveyed members, minimizing one of the limitations of online research.

So far research has counted on data obtained from the community through non-participant observation. By the time conference occurs, analyses will be well advanced and more results will be able to be presented. It is already possible to perceive that there is a great exchange of information and experience related to products and brands within the community. The creation of emotional ties among participants and their demonstration of trust on more experienced members can be indication for the discovery of strong influence relationships within the community.

There is still much to be done, and this study attempts to contribute for the understanding of the role of virtual communities on consumer decision processes, which will allow marketing practitioners and researchers to advance in the knowledge of consumers concerning their social relationships and computer-mediated activities.

The Influence of Satisfaction and Switching Costs upon Customer Loyalty
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EXTENDED ABSTRACT

Given universal requirements of profit and growth in organizations, business executives and academia alike have been engaged in the task of understanding the role of customer management as an organizational asset. It follows that every customer may have their individual value maximized in relation to their business potential to a particular organization. In this perspective, both customer acquisition and customer retention acquire strategic relevance.

If, on the one hand, organizations may view customer retention as directly related to increased profits, customers, on the other hand, may patronize and feel loyal to a given organization. Customer loyalty has been investigated by a number of researchers in academia, assuming a direct relationship between customer loyalty and customer retention by organizations (e.g., Dick and Basu 1994; Reichheld 1996; Oliver 1999). Various research results have shown that customer satisfaction is an antecedent of customer loyalty (e.g., in Fornell et al. 1996; also, Szymanski and Henard 2001): satisfied customers do return to do business with the organization and, therefore, remain loyal and are retained by the organization.

Somewhat in line with empirical observations of customer-organization relationships is the perception that satisfaction is an important factor in loyalty building, since the greater the satisfaction, the greater the loyalty. However, inconsistencies do arise, so that dissatisfied customers do not always cease to be loyal to the organization. Why does dissatisfaction not lead to the end of the customer-organization relationship?

The explanation may lie in the switching costs—the costs (including efforts and losses) that customers associate with migrating from one supplier to another (Burnham, Frels and Mahajan 2003). These associated efforts and losses may act to prevent customers from changing suppliers, thus resulting in customers remaining loyal to the organization even when dissatisfied.

The present study was developed towards reaching a deeper understanding of this matter—since not only does satisfaction lead to customer loyalty and retention, but also switching costs appear to be relevant in maintaining customer loyalty. This research was conducted in the mobile telephone market sector, in a specific organization providing these services, and having as its point of departure, in respect to the relationships between satisfaction, switching costs and loyalty, the original study by Burnham, Frels and Mahajan (2003). The present study has, however, extended their investigation with the specific objective of attempting to understand the extent to which switching costs and satisfaction influence customer loyalty when measured in a scale of dynamic components, while seeking to include the components of loyalty stages proposed by Oliver (1999). Thus, whilst adding a new field of inquiry—the mobile cellular phone market sector—and a new context—the Brazilian market—to the study by Burnham, Frels e Mahajan (2003), there arises the wider question the present study has sought to address: What is the influence of satisfaction and switching costs in customer loyalty?

To that objective, a total of 12 in-depth interviews were conducted, the analyses of which have provided the basis for the development of hypotheses and construction of the theoretical model. That was followed by a survey-type research utilizing a five-point Likert scale collection tool with dual-stage development, and comprising 47 items (satisfaction—four items; switching costs—29 items; loyalty—14 items). Telephone data collection resulted in a final sample totaling 493 cases, and comprising individual end-consumers, with post-paid-type subscription.

Structural Equation Modeling (SEM) was utilized in order to analyze the hypothesized relationships following the procedures recommended by Hair, Jr. et al. (1998) and the approach by Anderson and Gerbing (1988). The constructs were submitted to a Confirmatory Factor Analysis (CFA) in order to evaluate convergent and discriminant validity, while measuring model uni-dimensionality.

In order to evaluate whether the duration of customer experience and switching experience had impact on the relationships between the model constructs, a SEM multi-group analysis was conducted. It resulted that the covariant switching experience impacted the customers’ responses to process-related costs and relationship-related costs. Customers who had already switched providers were able
to perceive more clearly the economic risks of switching when confronted with a new switching event. Meantime, the relationship loss may not have constituted a matter of great concern to these customers, as they had already experienced a switch in providers, and, consequently, broken relationship ties. Conversely, customers who had never switched showed a stronger reaction towards the association between the costs involved in their loss of relationship with the provider’s brand and their loyalty. It follows that it is the experience which occurs on the occasion of switching providers as opposed to the expectation of what might occur that constitutes the actual influencing factor.

The significant associations found indicate a relationship between switching costs and satisfaction and customer loyalty. Switching costs pertaining to each of the groups identified by Burnham, Frels and Mahajan (2003)–process-related switching costs, finance-related switching costs and relationship-related switching costs–showed a significant relationship to loyalty. Thus, the exogenous model constructs explain 73% of the variance in the loyalty endogenous variant. However, when verifying in separate the construct which had the strongest power of explanation, it has been noted that the model estimated solely with the satisfaction construct explains 48% of variance–which is lower than the 76% explained by the switching costs constructs. In agreement with the result found by Burnham, Frels and Mahajan (2003), switching costs appear as having a greater effect on customer loyalty than satisfaction.

The present study adds to the body of theory which discusses the impact of switching costs and satisfaction on customer loyalty, reapplying and validating the switching costs scale to the Brazilian context, and indicating the importance of switching costs in customer management, while reaffirming the importance of satisfaction in the development of customer loyalty. Nevertheless, many questions remain open and new ones have arisen, thus offering fertile ground for consistent consumer behavior research.

References

The Impact of a Crisis in Attribute Importance Perceptions
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EXTENDED ABSTRACT

Abstract
How the customers react during and before an economic and financial crisis is an important yet scantily researched issue (Zurawicki and Brajot, 2005). We evaluate the variations in the perceived importance of the bank quality attributes as determined by a severe shock in the situational context. The particular episode considered here is the collapse of the financial system in Uruguay in June 2002. It was a short but profound crisis; the Uruguayan banking system became insolvent with banking holidays resulting in a significant financial system confidence crisis (Lado, Torres y Licandro, 2006).

Our study is twofold, our research questions are (1) how a shock in the external context can affect the weight perceptions of different service quality attributes, and (2) the persistence of these changes over the time.

Data for this study were generated utilising a two stage, two-period approach and analysed by mixed methodology. The results of the Correspondence analysis of square asymmetric matrices performed suggest that, the financial crisis provokes changes in the relative importance of the main attributes.

Attributes weights and situational context
The different importance or weights of the attributes of a product is a relevant issue for the most fundamental streams of research in marketing, such attitude models, customer satisfaction and service quality literature (e.g. Bass and Wilkie, 1973; Oliver, 1993; Kahn and Meyer, 1991; Parasuraman et al, 1988). In a seminal work, Miller and Ginter (1979) found that attribute importance vary differentially across situations. Mittal, Kumar and Tsiros (1999) examined how the weights of the attributes in determining overall satisfaction shift over time according to the consumption experience. This study examined how attribute weights are temporally labile in influencing overall satisfaction adopting a consumption-system approach.

5This research was supported by Ministerio de Educaci/ón y Ciencia Dir. Gral de Investigaci/ón, Grant SEJ2004-00672.
Financial services are inherent intangible and high on credence qualities. For these reasons, service quality perception is a critical issue for financial institutions (Beckett, 2000). They need to communicate and promote their image and their reputation effectively. In order to do it, the banks must first identify the principal dimensions used by potential clients for the assessment of the service quality level of an institution and evaluate their relative importance for different potential clients.

This research focuses on the issue of managerial relevance for financial institutions in that the significant changes of attributes importance, as provoked by a shock in the situational context. We adopt the definition of situation suggested by Belk (1974): “all those factors particular to a time and place of observations which do not follow from a knowledge of personal (intra-individual) and stimulus (choice alternative) attributes, and which have a demonstrable and systematic effect on current behavior.” The shock considered is the Uruguayan financial system crisis. In June 2002, the Uruguayan banking system became insolvent with banking holidays resulting in an important financial system confidence crisis. The Uruguayan financial crisis was considered a good setting for the study because of its deep impact as a significant shock affecting the Uruguayan banking clients. Fortunately, the Uruguayan government policy responses implemented to face the situation were mostly adequate, allowing Uruguay to successfully counteract the financial crisis. At the end of 2003, Uruguay’s economy stabilized and within a year was growing at annualized rates in excess of 10 percent (De la Plaza and Sirtaine, 2005).

Methodology and data collection

In order to identify pertinent variables and to assist in the questionnaire design, Stage 1 of data generation consisted of focus groups and expert interviews. In Stage 2, the research data were collected by a two-wave telephone survey. The first wave data was collected two weeks after the financial crisis and the follow-up survey (2nd wave) thirteen months later. The survey questions used in this phase of the research were based on the service quality literature review and on the qualitative research performed. The questionnaire was administered to a randomly selected stratified sample of Uruguayan bank clients. The sample sizes were 601 bank clients for the first wave survey (43% men and 57% women) and 501 bank clients for the second one (41% men and 59% women).

Results

The results of the Correspondence analysis of square asymmetric matrices (Constantine and Gower, 1978; Greenacre, 2000; Hoffman et al., 2001) performed suggest that in Uruguay, the financial crisis provokes changes in the perceived relative importance of the main attributes of the financial entities. For period 1, two weeks after the financial crisis, the main shift is that for people who before the financial crisis focused on high yield sought instead to rank security and trust as the most relevant attribute. Another asymmetry, but of lesser magnitude, appears between the other set of attributes, service and care of the customers versus safety and trusting. We found that the meaning of security is context dependent. In a crisis situation security is referred to the nature of the implemented policies, including several dimensions: fulfill the promises, respect contracts terms, endorsement and honesty. This secondary segment is characterized for priming, before the crisis, that banks that offered a good level of service and customer relationship, shifted after the event to emphases security and trust.

In a normal financial environment, customers tend to take security for granted and assume that all banks provide almost the same level of this attribute. In that case, security is an important but not a determinant attribute. In our case, security is seen as an important and determinant attribute.

Another aspect we were interested in was to analyze if the changes in attitudes–in terms of the relative importance of attributes of financial entity–where something short-lived and exaggerated by the financial crisis or if they were maintained over time. For this reason, we replicate our analysis one year later. The results were surprising since, not only they were stable; even further, the skew symmetric part shows a higher weight on the second analysis.

References


Single Language Surveys: An Efficient Method for Researching Cross-Cultural Differences

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EXTENDED ABSTRACT

Abstract

Interest in cross-cultural research has increased with the globalization of the market. However, language differences across cultures pose a major methodological challenge, particularly in survey-based research. In order to address this challenge, researchers typically translate and back-translate surveys, repeating the process if necessary. This method, however, is not only costly and time-consuming but also unreliable. With respect to the reliability issue, “a fundamental, unresolved issue…is whether similarities or differences are in fact real” (Mullen, 1995, p. 574) or whether they are artifacts of the methodology.

The purpose of this research is to investigate an alternative to the translation and back-translation approach to cross-cultural survey research. More specifically, we seek to determine the feasibility of capturing cultural differences by surveying bilingual respondents in English. This paper reports the results of a study designed to compare consumer responses captured by a survey in English versus those captured by a survey in their native language and discusses the implications of the results for cross-cultural survey research.

Language and Culture: A Chicken and Egg Question

To make cultural comparisons, constructs must be linguistically equivalent and the instrument used to measure those constructs must be reliable across countries (Davis, Douglas and Silk 1981; Douglas and Craig 1983; Samiee and Jeong 1994). Nonetheless, a review of cross-cultural consumer studies reveals that “cross-cultural consumer researchers appear to have paid limited attention to data equivalence issues” (Cheung and Lee, 1999, p. 75).

Such seeming neglect may be due, at least in part, to the extreme difficulty in achieving translation equivalence across countries with different languages (Steenkamp and Hofstede, 2002). “Some studies (Dawar & Parker, 1994; Hofstede, 1976) circumvented the translation issue by having all respondents respond to an English questionnaire.” Researchers using all-English questionnaires, however, are not necessarily ignorant about the issues involved. Hofstede (1976, p. 34-35), for example, was well aware that “language is not a neutral vehicle.” Rather, he noted, “Differences in language fluency and interpretation can create other and potentially more serious biases. Our thinking is affected by the categories and words available in our language” (1976, p. 34-35).

The influence of language on thinking has been recognized at least since Van Humboldt in mid-nineteenth-century Germany but was popularized by Sapir and Whorf in the 1920s. According to the Whorfian hypothesis, people can share a similar view of the world only if they share the same linguistic background. In other words, culture is bound to language. This perspective leads to the following hypothesis about responding to a survey in a native language (L1) versus a second language (L2):

H1: Based on the theory that culture is bound to language, it is expected that the responses of bilingual consumers taking a survey in L2 (e.g., French bilinguals taking a survey in English) will be closer to the responses of native speakers of L2 (e.g., English) than to native speakers of L1 (e.g., French).

An opposing view, propounded by Chomsky (1980) and Pinker (1990), is that language is grafted on to culture. Humans are seen to have an innate language of thought expressed through their learned language. Therefore, people speaking in a second language would still reflect their own culture, even though the words they use to describe the concepts might differ.

H2: Based on the theory that language is grafted onto culture, it is expected that the responses of bilingual consumers taking a survey in L2 (e.g., French bilinguals taking a survey in English) will be closer to the responses of other native speakers of L1 (e.g., French) than to native speakers of L2 (e.g., English).

The Study

The above hypotheses were tested in a 2 (language: French, English) x 2 (country: France, England) between-subjects experiment among English/French and French/English bilinguals. One half of subjects in each country were randomly assigned the survey in their native language, the other half in their second language. To test for differences in response, the survey included Hofstede’s measures of power distance and uncertainty avoidance as they have been shown to distinguish the English and French. It also included measures of politeness and complaining behavior, which, based on differences in the cultures of the two countries, were also expected to vary. The survey included two measures of language proficiency to verify the subjects’ ability in the foreign language of the survey.
Factor analysis supported the standard three-factor measure of complaining behavior in both countries. It also identified two stable factors for politeness in both countries. Unfortunately, as other researchers have found, the Hofstede factors were found to be unstable. The only clear construct was a two-item measure of power distance.

**Results**

The results supported the second hypothesis more strongly than the first hypothesis. The French taking the survey in English were not significantly different from those taking it in French in four of the six factors. The two remaining factors referred to voicing a complaint and being polite when talking with people. In both cases, they rate themselves more aggressive than the French taking the survey in French. Similarly, the English taking the survey in French think they would act more forcefully if they were in a situation requiring French. Although their response to voice was not significantly higher when taking the survey in French, it was in the same direction as the French.

Counter to Hofstede, the French had lower power distance than the English: means (on a 5-point scale where 1 = low and 5 = high) France 1.55, England 1.89, p = .00. The English tended to be more polite, but there was no difference in the complaining behavior of the two countries.

**Conclusion**

Generally the results support the belief that surveys in a foreign language—at least to people who are fluent in that language—reflect the cultural beliefs of the country… with some small exceptions. The exception seems to be in answering questions that refer to behavior. It seems that giving a survey in a foreign language suggests that the question pertains to situations where the respondent would have to use the language of the survey. So the respondents ask themselves, “If I were in this situation where I had to interact with people speaking a foreign language, how would I act?” Some people, in this case the French, seem to think that they would compensate for their difficulty a foreign language by being more forceful in their actions. Obviously this subject requires more study.

**References**


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**Understanding Consumer Behavior through Consumption Experience: An Auto-Driving Study on Off-Road Experiences**

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**EXTENDED ABSTRACT**

Most studies on consumer behavior are based on the process that generates the purchase decision and culminates in the behavior itself. This perspective is based on the information processing model, which presupposes that, at every decision made, consumers evaluate functional characteristics and benefits according to the importance level, evaluate their presence in the different choice options, and finally choose the option that presents more general utility.

In the early 1980’s, researchers started to question the premise of the rational consumer, stating that consumers are engaged in a decision-making process both cognitive and emotionally. The experiential view, as it is known, admits that perceived benefits can be psychological and free from any functional objective, and that people are motivated by something beyond the mere satisfaction of basic needs. The experiential perspective is focused on symbolic, hedonic, and aesthetic aspects of consumption, considering it a phenomenon directed to the search for fantasies, feelings, and fun.

After the introduction of this new perspective, issues so far ignored on the study of consumer behavior started to draw the attention of researchers, such as: the role of emotions in behavior, the fact that consumers feel as well as think and do, the significant role of symbolism in consumption, the consumer’s need for fun and pleasure, and the widening of the consumer’s role, who is no longer only a rational decision-maker. Consumers started to be seen as more human, people who can dream about pleasant adventures, emotionally respond to consumption experiences, and use products in several leisure activities. As one admits that consumers want to be stimulated,
amused, instructed, and challenged, one must also admits that they will tend to look for products and brands that provide the experiences they intend to obtain. Products are no longer packages of functional characteristics, but means to provide and improve consumer’s experiences.

This study adopts the experiential perspective, treating the consumption experience as the object of study and trying to highlight its importance in order to understand consumer behavior. The aim is to identify and analyze the elements that form the consumption experience, including the context in which it occurs, factors related to the individual (thoughts, feelings, activities, and evaluation), and sensorial stimuli. Such information is essential both at company and academic levels, since it offers an understanding of the forms by which people experience consumption and use it to translate affections, desire, and social relationships, which can influence behaviors and formation of attitudes.

The off-road vehicles were the chosen consumption experience to be studied. It is known that vehicles are objects of beauty, passion, and desire, and that owners have a magical relationship with their automobiles. Satisfaction with this product category is every time more detached from functional elements, such as good engine functioning. It now involves style, aesthetics, entertainment accessories, considerations on lifestyle, and prestige. Purely experiential aspects involve the sound of the door being shut, seat covers, seeing, touching, feeling, and driving a car and the sensations and feelings that arise. Off-road vehicles specifically present their own characteristics for the application of experiential marketing concepts: they can be driven in muddy or sandy terrains, paved roads; they can be used both in the countryside and in cities, for civilian or military use and as a sports utility vehicle. This multiuse potential offers several experiences from simple trips to great adventures.

It is known, however, that the study of human experience is different from the study of cognitive structures that can easily be measured through quantitative methods, which, on the other hand, only capture what is literal, without obtaining richer information on what the consumers have in mind and how they consume and use the products they acquire. Feelings, sensations, intentions, behavior, and expectations towards products and services are, therefore, more easily explored through qualitative techniques.

In order to perform this study, we have chosen the auto-driving technique, which is based on projective and visual research methods. This method increases the participation and involvement of the informants in the research process, because they are seeing and hearing their own behavior through the pictures they are requested to bring to the interview. The use of images and pictures as a means of data collection on individuals has already been used in previous studies that attempted to explore consumption experiences. Some of these studies, however, were criticized for using images chosen by the researcher, according to his judgment of what would be relevant and meaningful for consumers. In this study, on the contrary, we used pictures chosen by the participants themselves, which allowed us to interpret them as directly relevant and representative of their thoughts, feelings, beliefs, values, and expectations.

So far, the interviews have pointed interesting insights. The consumption experience is embedded in a socio-cultural context with major tendencies of lifestyle and other consumption practices. The riders love being in contact with nature, are risk takers (not only in terms of adventurous trips, but also with their businesses and lives) and seem to forget their age, jobs and problems during the adventures. Another interesting finding is the relationship between the consumers, their car, and its brand. People not only love and adore their cars, but they also feel they are part of a family—the brand family—which, in turn, pushes them to join groups of riders of that specific brand, in a very similar way Harley Davidson bikers do. They create their own subculture, sharing values, habits and having in common social, political and spiritual aspects of their lives.

These are just some of the preliminary results of the study. Digging deeper, we expect to find much more valuable insights which relate the elements of the consumption experience—its context, sensorial and affective stimuli, cognitive structures, activities involved, and the value perceived—with other patterns of consumption and behavior. It all indicates that the meaning of the total experience is somehow magical and charmed, akin to the extraordinary experience of river rafting described by Arnould and Price (1993)—some of the pioneer researchers in this field.

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A Comparison of the Economical Behavior to Food Risk: European Consumers and Latin-American Consumers
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EXTENDED ABSTRACT

In the last few years European people have undergone several transient collective anxieties created by a situation of health risk regarding food, due to a possible human health risk situation (real or not). These anxieties are called “food crisis”. The negative health consequence generated by a risky human health product, and the frequency with which they are observed is called food risk. Consumers react negatively to this type of crisis; that is, they decrease or avoid the consumption of these products, for instance the “mad cow disease crisis”. As a result of this crisis the supply of alternative products (organic or biological) has increased.

A couple of questions must be answered: is it possible that an intercultural homogenization of food behaviors exists even though Mexican consumers have not faced directly these problems. How do the French and Mexican consumers react to health risks associated with alimentary and non food products?

The standard economic theory that characterizes the behavior of individuals assumes that they maximize their personal interest. However, there are other factors that may influence the behavior of an individual such as feelings, motivations and goals. Because of this some discrepancies with respect to theoretical models regarding this behavior are observed. Based on frequent observations about empirical studies, the models have been improved. There are some other parameters that have not been included in the models, even though they have an influence on the choosing decisions with respect to food risks: the type of risk and the type of products that possesses the risk. Thus, it is apparent that the economical theory has some drawbacks to explain food consumption behavior.

The empirical works that deal with the evaluation of food products having a human health risk measure the consumer willingness to pay for avoiding or accepting something in return for consuming a product having a health risk; or to collaborate in making them safer for human consumption. These studies use incomplete information, regarding food risks, that are not reliable or that are confusing to the participants. Many of these empirical studies such as contingent evaluations use hypothetical scenarios that are difficult to imagine for the individuals which may result in answers or behaviors that are economically irrational in regards to the evaluation to risky food products.

From our literature review it was found that the experimental works concerning consumer behavior to health food risk are incomplete since only a risky product is evaluated with respect to different information levels. In these works the behaviors to the same risk coming from different sources are not compared. In particular, there is not a comparison among the behaviors to the same risk in products of different nature neither in different cultures.

The purpose of this study is to determine whether the behavior of Mexican and French consumers to the purchase of risky food products is homogeneous. It will be observed how the individuals behave when they purchase risky consumption goods at a super market. The experimental method is the most convenient method to measure the consumer behavior to a risky product, since it can be controlled, it is not hypothetical and it is close to reality. The market institution that has more advantages to measure the economic value of the consumers for a good is the second better price or Vickrey’s auction. The economic value measurement that is less influenced by the environment for a risky good and that will be used is the willingness to pay.

The experimental protocol used in the experimental sessions to observe and compare the differences in consumer behavior to products of different nature having the same risk consists of four essential features: (i) a health risk present in a product of common consumption, brain cancer; (ii) the choice of two products where the consumption or the use represents the same health risk; an food and non food product; (iii) alternative products to risky products that guaranteed no health risk; (iv) different levels of real information about this risk: name of the danger, possible negative consequences due to these dangers and the magnitude of the most severe negative consequences. The experimental design consisted of three main phases: 1) the “learning” phase; 2) the so called “tasting and hedonic notation”; and 3) the phase of simultaneous sales of “real products”, at the second better price in an auction. The four products, arranged by couples of alternative products, are sold in parallel in each of these sales. These phases include four auction periods with a conducted sale in each of these periods. As an addition of this investigation a survey was conducted to obtain the consumption experiences and the socioeconomic information of the individuals participating in our experimental sessions.

The results obtained from the experiments conducted in a sample of French consumers are as follows:
In general, the consumers behave adversely to risky products when they are aware of the information about the severity of the possible negative health consequences. However, when the consumers are aware of the information about the type of risk and of the magnitude of the negative consequences they behave adversely to food products but not to non-food products.

Thus, the French consumers react differently to the same information about risks to human health depending on the nature of the product that carries it.
The food product effect, that is, the nature of the risky product is much more important than the risk effect or the information about the health risk in relation to the consumer choosing behavior.

From our point of view this investigation is relevant in four important sectors: scientific, political, industrial and consumer behavior. As a continuation of the experiments conducted in France a similar investigation will be conducted in Mexico. This will be done to explain the food product effect and to develop a “Theory of human behavior to food risks” to this end the relationship between the consumer behavior and the perceptions and beliefs of individuals regarding health risks.

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Feminization of Global Consumption: A Movement toward Equity: Explanation and Initial Research Agenda
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EXTENDED ABSTRACT

Introduction
The objective of this manuscript is to explore the role of feminine and masculine values and their bearing on consumption in the global marketplace. Limited research exists in the feminine values and feminism in marketing (e.g., Bristor and Fischer 1993; Costa 1994; Hirschman 1993; Palan 2001; Stern 1993). To accomplish this objective we begin with research questions and discussion of cultural value systems and their components. We illustrate how a nation’s value system shapes consumption. We seek to discuss and investigate a trend among consumers to spend in ways that support their values of equity for consumers and producers (Ray and Anderson 2000).

Research Questions
Underpinning the primary research question of what roles do masculine and feminine values play in global marketing exchanges are three questions that guide the present research.

References
1. What are the main societal value systems that drive creation of value?
2. How is consumer behavior influenced by the value system adopted by their nation?
3. What changes may arise if a shift in value systems were to occur among large segments of consumers across the globe?

Constructs

Value Systems: Values are held by individuals as well as collectivities such as (sub)cultures, organizations, and nations (Hofstede 1979). Values are mutually related and form value systems or hierarchies. If an individual or group “holds” a value, this means that the issue involved resonates with them and that they identify some outcomes as “good” and others as “bad” (Hampden-Turner and Trompenaars 1993).

Hofstede and colleagues (1980; Hofstede and Bond 1988) catalogued five universal values of culture: power distance, uncertainty avoidance, masculinity/femininity, individualism/collectivism and Confucian dynamism. Hofstede’s research provides standardized indices that enable levels to be compared across countries. While Hofstede’s scales receive criticism for validity (Søndergaard 1994), the scales continue to be applied and referenced for consumer behavior and marketing research. The focus of the current study is on feminine and masculine values; therefore we suggest using Hofstede’s scales to measure the concepts of Masculinity/Femininity (MAS), Power Distance (PDI) and Individualism/Collectivism (IND). Hofstede’s concepts are well accepted and documented in the marketing literature this condensed paper will not expand on them.

Value Systems and Segmentation in the Global Marketplace

A recent study of value systems in the US catalogued three distinct segments within American society: Moderns (100 million people), Traditionalists (50 million people), and a relatively new, emerging subculture of 50 million people, Cultural Creatives6 (Ray and Anderson 2000). There are an estimated 80-90 million Cultural Creatives in the European Union, which translates to approximately 30 to 35% of every Western European country. In addition, preliminary indications are that Asian countries are constructing their own version of cultural creativity (Moore 2001).

Each value system segment has different approaches to consumption. Moderns and Traditionalists follow a masculine value system emphasizing sex-typed roles, individual achievement, status through accumulation of goods, and varying degrees of power distance. Cultural Creatives follow a feminine value system based on collective goals, sustainable global development, and low power distance among consumers and producers (Ray and Anderson 2000). Complete descriptions of each segment society are described by Ray and Anderson (2000).

Cultural Creatives and Consumption

The CC segment size is estimated at 50 million people in the US and 80-90 million in Europe. In the US the CC segment has an annual family income $6,317 higher than the national average (Ray 1997). Cultural Creatives possess feminine values: they have great concern for life quality and relationships. These values indicate a shift in the cultural fabric for US consumers to a lower MAS and a lower PDI.

Cultural Creatives desire a quality of life, equity for producers and consumers; they do not strive for affluence in the form of goods and possessions. They do not care about the “status purchases” which are prevalent in Moderns’ high MAS cultures. Even though CC value uniqueness, authenticity, and care about personal growth, they care as much about others as they do about themselves, and they consider social networks and sustainable growth for future generations to be of utmost importance.

Proposed Study

We propose that as CC increase in number the cultural consumption fabric across the globe will change. Feminine values will replace masculine values, which will ultimately lead to more equity (lower power distance) among workers, consumers, and in the global society as a whole. Values of individual responsibility coupled with collective orientations will encourage consumers to choose products/services that nurture natural and human resources.

We suggest implementing a combination of quantitative survey research using Hofstede’s cultural dimensions and Ray and Anderson’s questionnaires with qualitative interviewing on select respondents whose responses indicate different values and different consumer segments. We suggest that administering the Hofstede cultural scales together with the Ray and Anderson questionnaire will reveal trends among national populations and major sub-cultures within the nations.

We recommend the use of feminist research methods. Following the women’s voice/experience feminism techniques (Bristor and Fischer 1993), we suggest the use of qualitative data collection which is reflexive in nature, rejects traditional hierarchical assumptions of knowledge, and acknowledges that the researchers’ own class, gender, and culture affect interpretation of results. One feminist method shown to meet the three criteria listed above is memory-work (Friend and Thompson 2000; Haug and Others 1987).

Specifically we propose the following:

\[ P1 \]: Nations with low (high) MAS index scores will have a large (small) segment of cultural creatives who will indicate desires for reduced (increased) consumption of goods/services and (not) emphasize sustainability and equity for consumers and producers as important product attributes.

\[ P2 \]: Nations with low (high) PDI index scores will have a large (small) segment of cultural creatives who will indicate desires for reduced (increased) consumption of goods/services and (not) emphasize sustainability and equity for consumers and producers as important product attributes.

*The present manuscript focuses on value systems in the US and the potential of the emerging segment to change the face of global competition.*
Emotion and Service Evaluation: How Different Cultures Respond to Service Experiences  
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EXTENDED ABSTRACT

Introduction
The increasing trend towards globalization/internationalization of services (Bolton and Myers 2003; Cicic, Patterson, and Shoham 1999) has highlighted the need for researchers to examine the ways in which consumers from different cultures evaluate the service they receive and how this then affects their behavioral intentions towards the service provider. Many researchers adopt similar frameworks to those described in mono-cultural studies focusing on consumers’ cognitive evaluation based on perceptions, expectations or both. Yet a considerable body of literature (Arnould and Price 1993; de Ruyter and Bloemer 1999; Mattila and Enz 2002; Menon and Dubé 2000) has emphasized the role of affect in service experiences and in consumer decision-making. Since the nature of feelings and emotions, and how these are expressed, is known to differ across cultures (Trompenaars and Hampden-Turner 1997) it is likely that an examination of the role of affect will have implications for both the development of cross-cultural service quality measurement and services marketing theory.

This paper reports the findings of a two-stage study which examines whether consumers from different cultures evaluate services in the same or different way(s). Specifically, the relative role of affect and cognition is explored and the impact on behavioral intentions is assessed. The first stage of the research is based on focus group interviews comparing West African and U.K. respondents. By adapting Shaver et al’s (1987) emotional prototyping model this aims to identify differences between cultures in emotions evoked in a single encounter and the subsequent impact on behavioral intentions. The second stage involves a survey of student banking services involving African, Chinese English and Scottish respondents. This assesses differences in service experiences and evaluations and the relative validity of scales, measuring service quality, satisfaction and affect/emotions, in predicting behavioral intentions.

The Focus Groups
The aim of the focus group discussions was to explore cross-cultural differences in consumers’ emotional/affective responses to negative service encounters and how these then impact on future service-related behaviors. For each of the eight focus groups (four from each cultural grouping), eight participants were recruited as they attended registration for professional courses offered to both UK and

References
international post-experience students. Each group included equal numbers of men and women; mean age ranged from 27 to 28 and all participants had spent their childhood (and most of their life) in either the UK or West Africa, thus representing opposite quadrants on Hofstede’s (1980) power distance/individualism map. Participants watched two video scenarios focusing on negative service encounters between airline ground staff and passengers and were asked to analyze the feelings and intentions of the actors. Shaver et al.’s (1987) “prototype” approach was adapted to fit the service encounter context. This identifies emotional antecedents (e.g., frustration or interruption of a goal directed activity), basic emotions (e.g., anger) and subordinate emotions or ‘emotional words’ (e.g., ‘annoyed’). Participants were also required to describe the behavior of the actors in the scenario and to predict the future service-related behavior of the consumer in terms of complaining, switching or engaging in negative word of mouth.

The focus groups supported the premise that emotional responses to service encounters will differ cross-culturally. Both cultural groups described the ‘basic’ emotion ‘anger’ as a response to negative encounters. African participants in particular, however, projected feelings of ‘sadness’, ‘humiliation’ and emphasized ‘being let down’ and ‘not being valued as a customer’. There were also differences with respect to behavioral intentions as a result of these emotions and an important mediating role for attribution or ‘agency’. African respondents were more likely than those from the U.K. to blame the consumer for the negative encounter.

The Survey
The focus group findings have subsequently been explored in a survey of international students’ evaluations of their banking services. A self-administered questionnaire included measures of service quality (Cronin, Brady, and Hult 2000); satisfaction (Spreng and MacKoy 1996); affect/emotion (Izard 1977; Richins 1997) and behavioral intentions (Zeithaml, Berry, and Parasuraman 1996). The results presented here are based on two geographic areas, considered to be highly similar culturally (England and Scotland) and two considered highly dissimilar (West Africa and China). At the individual level, sampling required that respondents had experience of banks and held a current bank account. Since differences between cultural groups are of interest in this research we controlled for age, educational level and social class by focusing on students in higher-education.

In order to assess the potential for the three constructs (i.e. service quality, satisfaction and affect/emotion) to predict behavioral intentions for each of the four cultural groupings, hierarchical regression analysis was conducted. Other potential explanatory variables i.e. age, gender, and whether the respondent had experienced a problem with the service (and if so, whether this had been resolved successfully) were also assessed. The findings indicate that the predictive ability of measures varies across cultures. For African and Chinese respondents, for each of the behavioral intentions variables considered, that is, word of mouth communication, repurchase and internal response (e.g., complain to employees), the change in the variance explained is greatest with the affect/emotion scales. In contrast, for English and Scottish respondents, the more traditional measure of quality explains a greater amount of the variance for all behavioral intentions measures. A second finding relates to the comparatively low explanatory ability of any measure for Chinese respondents suggesting that current models linking both cognitive and affective evaluations of services to behavioral intentions may not generalize to this culture.

Conclusion and Implications
The findings indicate that behavioral intentions towards services in non-Western environment may be best predicted through the use of emotional responses rather than the more traditional measures of customer satisfaction and service quality. Consequently, cross-cultural researchers should examine the validity of generally accepted antecedents and consequences of models for each group of interest. Although a major focus of cross-cultural research is the need to establish equivalence in measurement instruments, as suggested by other researchers (Kettinger 1995; Winsted 1997), alternative measures for individual cultures may be necessary if the aim is to predict behavioral intentions.

References

**Family and Leisure Consumer Behavior**

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**EXTENDED ABSTRACT**

The study of consumer behavior has been explored by researchers of many areas such as marketing, tourism, leisure and sociology, each one with a particular approach. For example, Hegelsen et al. (1984) found 37 different approaches in papers and journals of Consumer Behavior, from 1950 until 1980.

Among those, the Family Decision Process was mentioned only in 3,4% of the total collected papers. Researches show little interest in consumer behavior studies when considering leisure as the main subject. A search was done in EBSCO database, by using “Leisure” as main word and “Consumer” as Journal identifier. Only 9 papers were found, considering the period from January 2000 to April 2005. When the main word was replaced by “Family”, 134 works were found. Taking into account that the total number of works was 1883 in that period, one computes 7,12% of the papers related to Family and 0,48% of them about Leisure. Doing the same research for a different period, from January 1995 through December 1999, 1654 papers were found, 76 of which were related to Family (4,59%) and 6 were related to Leisure (0,36%).

However, there is no doubt that, especially in leisure studies, understanding people’s behavior is of utmost importance. (Kelly [1975]; Pestle, Arrington & Card [1989]; Shaw & Dawson [2001]; Raymore et al [2001]; Hutchinson, Baldwin & Caldwell [2003]; Lee & Bhargava [2003]).

The data presented above show a modest increase in the relevance of these themes (Family and Leisure), but there is an enormous gap specially considering the Leisure area. In Brazil, the increase in the expenditures in entertainment and cultural activities justifies research in leisure consumption. According to the National Bureau of Geography and Statistics of Brazil (IBGE), in 1987 the average expenditure with these activities was 0,43% of the family income. In 1996, this amount decreased to 0,31%, but in 2002/2003 it showed a significantly increase, reaching 1,91% (Source: Pesquisa de Orçamento Familiar–IBGE–accessed on April 27th 2005).

In much of the research developed in the leisure area, one finds attempts to identify the factors that influence people’s behavior. This is a relevant analysis because it allows the researcher to better understand why people engage in some leisure activities rather than others. What is beyond those decisions? Why do those decision change along people’s life cycle? How do internal and external elements affect leisure behavior?

Pestle, Arrington and Card (1889) have mentioned that the family is one of the factors that influence individual behavior most. Therefore it is important to understand how families influence their members’ leisure behavior.

Research referring to family life cycle (SCHANINGER and DANKO, 1993), the influence of the family on teenagers’ leisure activities (HUTCHINSON et al, 2003) and the study of the leisure in the family as whole (ZABRISKIE e MCCORMICK, 2003) have also been found. In leisure research the relevance of the family is also explored by Kelly (1997), who discloses the development of the different approaches of families and their influence on leisure.

Other researchers discuss the transitional periods in the family life cycle, e.g., the periods between adolescence and the beginning of a new family, and the period between the marriage and the birth of the first child (RAYMORE et al 2001, p.198). The latter is not present in many studies related to the family life cycle. This is surprising, as one considers that the birth of a child is a critical element that can really change individual behavior. Kelly (1975) corroborates this idea, upon suggesting that the individual’s roles in the family will directly influence the parent’s leisure style. According to this author, there is little difference between the behavior of adult singles and married couples without a child. This assumption is not true for married couples with children, whose leisure activities are related to the whole family expectations. It has been already established that the fact of being a parent decreases free and flexible time of an individual, particularly for leisure activities (LEE & BHARGAVA, 2003).

When the mother is considered, the reduction of free time is accentuated. In a study by Brown et al (2001), almost all women interviewed had their physical activities time diminished due to commitments with their children, house and partner.

This working paper aims to analyze the perceived leisure time allocation of upper middle class women of the city of São Paulo who have recently had children, by focusing on a comparison between their (perceived) leisure time allocation before and after the birth of their first child.

It is an exploratory study that uses a qualitative approach so far. Thus, semi-structured questionnaires have been given to mothers of children aged approximately 3 years in nursery schools, which are located in upper-middle class districts of São Paulo city, Brazil.

The questions have been designed to identify the most relevant activities frequently practiced, by mothers, according to their perception, in two different family life cycles moments: before and after the birth of the first child.
This work is in progress and the next steps depend on the analysis of the questionnaires, which are still in the field. Their results should give the basis for the elaboration of hypotheses to be tested in a further survey to be made with a probabilistic sample.

References


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**A South African Study of Children Consumers’ Cognition of Color and Graphics in Cereal Box Labeling on Packaging**

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**EXTENDED ABSTRACT**

Extrinsic product attributes such as labeling and packaging may have a particular role in children’s’ purchasing behaviour (Valkenburga, 2001). A qualitative study was designed to gain an in-depth understanding of seven-year-old children’s cognition of colour and graphics used in the labeling and packaging design of breakfast cereals. Semi-structured interviews, sorting and drawing exercises, were used to gather data of a sample of 40 children. The findings suggest very specific colour and graphic preferences among children consumers as well as between colours and flavours. The ideal combination of these aspects were compared to the colours and graphics used in existing labeling and packaging designs.

Children are born into a world where they are socialized from a very tender age to become responsible consumers. According to Valkenburga (2001) children as young as five increasingly exhibit independent purchasing behaviour. Research indicates that they compare prices, prefer certain brand names and are influenced by commercials in their decision-making (Wilson & Wood, 2004; Pettersson et al., 2004; Valkenburga, 2001; Ozgen, 2003). Moreover, their income is said to have doubled and their spending almost tripled in the last seven years (McNeal & Yeh, 2003). These and other studies suggest that children are active shoppers, which highlight a few practical implications for retailers and manufacturers.

A question that has been raised in the South African context is how do marketers reach this emerging segment of young consumers and deal with the complexities associated with this target market. Clearly, extrinsic product attributes such as labeling and packaging, which is often highlighted as significant variables in influencing adult buying behaviour, need to be adapted to effectively communicate the intended messages to children—especially within the preoperational stage of cognitive development. These children, aged between three and seven years, are in the process of developing symbolic thought (Piaget in Deborah, 1999) and tend to focus on a single dimension such as the colour of the packaging. Authors such as McNeal and Ji (1999) have in fact reported that children seem to respond better to colour and graphics as a result of their limited reasoning and reading abilities.

Yet, most of the above-mentioned research has been conducted in countries other than South Africa. Due to the limited empirical nature of this topic within the South African context, a qualitative study was designed to gain a more in-depth understanding of seven-year-old children’s cognition of colour and graphics used in the labeling and packaging design of breakfast cereals. This product was chosen as it is often targeted at the children’s segment of the consumer population (Wilson & Wood, 2004; Dotson & Hyatt, 2000). Another reason for selecting this product category is the wide variety available on the shelves of South African grocery outlets.

The study addressed specific objectives, which included gaining an enhanced understanding of seven-year-old children’s preferences for particular colours and graphics in the labeling and packaging of breakfast cereals. The association between colours and flavours was also investigated. The children’s perceptions of the ideal combination of these aspects were further explored and compared to the colours and graphics used in existing labeling and packaging designs.

Several qualitative techniques were used to obtain the data needed to realize the objectives of this study and to ensure that the criteria of triangulation and saturation were met. These techniques included semi-structured interviews in addition to sorting and drawing exercises. Purposive sampling was employed in recruiting a sample of 40 children from a diverse population of seven-year-old grade one learners at various schools within the Potchefstroom district. A conceptual content approach was used to interpret and systematically categorize the data obtained from the sample. A combination of open and axial coding was then used to organize the transcribed data from the audio taped interviews as well as the information gained from the drawing and sorting exercises into relevant categories and themes.
The findings of the study suggest very specific colour and graphic preferences among seven-year-old children consumers, which is often associated with particular gender roles. Furthermore, graphics were found to be very useful in identifying existing brands of breakfast cereals. These findings seem to underpin research conducted by others such as Bradley, Greenwald, Petry and Lang (in Bywaters et al., 2004) that found that better encoded long-term memory could be assured with extremely pleasant or unpleasant stimuli and highly arousing stimuli such as colour. The analysis of the data also brought to light seven-year-old children consumers’ association of certain flavours with particular colours. Perhaps most significant, is seven-year-old’s preoccupation with matching graphics to background colours of the packaging and vice versa.

Noteworthy consequences of this study are that colour and graphics seem important elements in drawing the attention of children consumers. As stated by Greg (1998) in today’s competitive atmosphere, colour (and graphics) could be an element in the marketing mix that helps messages stand out and perform. In this case it could also be considered a primary communicator of the intended message of both labels and packaging. Retailers and manufacturers should therefore strive to select colours and graphics that maximize attention (Gorn et al, 1997).

References

**Service Failure Events: Understanding the Flow of Effects in a Multiple Service Provider Setting**

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**EXTENDED ABSTRACT**

Service failure and recovery (SF/R) in strategic alliance settings are the focus of this research. The area of service failure and recovery has recently received considerable research attention (Smith, Bolton & Wagner, 1999; Sparks & McColl-Kennedy, 2001; Tax, Brown & Chandrashekaran, 1998) due to their critical impacts on customer satisfaction (McCoulough, Berry & Yadav, 2000), word-of-mouth (Bilgatt, Hill & Tax, 1997) and repeat purchase intentions (Keaveney, 1995). However, thus far research has been limited to investigate the effects of SF/R on a customer’s evaluation in which one organization was the sole service provider. Consequently, current research has ignored the impacts of SF/R in situations in which two or more service providers are closely linked in the provision of services to the customer by means of an alliance.

Strategic alliances have become a prominent form of business arrangement, especially since the late 1980s and beyond. Early literature emphasized the need for strategic alliances due to the changed business environment whereby collaborative or cooperative strategies were proposed as viable counterparts to competitive strategies as a key strategic management tool (e.g., Ohmae, 1989; Hamel, Doz, & Prahalad, 1989; Harrigan, 1986). Critical issues such as the definition of strategic alliances (Varadarajan, 1995), motivations to enter these arrangements (Glaister, 1996), key factors for their success and demise (Li, 2000) and selection criteria for alliance partners (Harvey & Lusch, 1995) were focused on in subsequent research. However, an apparent lack of research is the impact of alliances on customers. That may in part be explained by the fact that the vast majority of alliance research to date has focused on products rather than services. Yet, even in the service context, the neglect of customers and the lack of inclusion of the customer have been lamented by several researchers (Hellman, 1995; O’Farrell & Wood 1999, Weber, 2001).

Consequently, there is a situation whereby SF/R research has not focused on settings other than individual customer- individual service provider settings, while alliance research has largely ignored the customer in and his/her evaluation of alliance offerings. Recognizing the importance of both SF/R and alliances to service providers, the present research aims to address this research gap.

Justice theory and fairness theory, both originating in organizational research, have recently been applied in the context of service failure and recovery (Smith et al., 1999; Sparks & McColl-Kennedy, 1998; Tax et al., 1998). Both theories are regarded as especially appropriate to investigate the nexus of SF/R and alliance research. In their review of organizational justice research Cropanzano, Byrne,
...levels cross-culturally, it is hypothesized that: literature support for a tri-dimensional materialism construct, as well as the inconsistency of findings on overall and individual materialism. Researchers have found inconsistent results in overall materialism levels across cultures (Eastman et al. 1997; Griffin, Babin, and Christensen 2004). Eastman et al. (1997), looking across U.S., Chinese, and Mexican consumers, found that and Christensen 2004). Researchers have found inconsistent results in overall materialism levels across cultures (Eastman et al. 1997; Griffin, Babin, and Christensen 2004). Eastman et al. (1997), looking across U.S., Chinese, and Mexican consumers, found that

**H1:** Three distinct, but correlated, dimensions of materialism—success, centrality, and happiness—will be demonstrated by Chinese, Korean, and Thai consumers.

**H2:** There will be different levels of overall materialism among Chinese, Korean, and Thai consumers.

**H3:** The individual dimensions of materialism will not reflect the same levels as overall materialism levels among Chinese, Korean, and Thai consumers.

**Methodology**

**Sample and Survey Development**

The study sample included 207 students from the People’s Republic of China (131 men and 76 women), 268 students from South Korea (67 men and 203 women), and 248 students from Thailand (71 men and 177 women), all ages 18 through 24. Using the 18-item Richins and Dawson (1992) materialism scale, a survey was constructed and meticulously back-translated for each sample. Participants used a Likert scale of 1 (“strongly disagree”) to 7 (“strongly agree”) to respond to the survey items.

**Analysis and Results**

Initially the original Richins and Dawson (1992) scale was modified based on item-to-total correlations, resulting in a 12-item, three-factor model of materialism that was validated by confirmatory factor analysis via LISREL 8.3 using maximum likelihood. All scale
reliabilities met the 0.50 acceptable level for cross-cultural research involving complex multidimensional constructs (Hair et al. 1998). The three-factor model was tested and demonstrated a better fit than a one- or two-factor model. Results of χ² difference tests on each of the estimated interfactor correlations (i.e., φ) and confidence interval tests both supported discriminant validity for the three-factor model. Additionally, analysis of the congeneric measurement model indicated equivalent factor structures across the three samples. Thus, Hypothesis 1 was supported.

Given significant differences across the study samples in age, gender, and income, these three demographic variables were controlled for in subsequent analysis. The results of MANCOVA showed a significant country/culture effect for overall materialism, as well as for the three correlated dimensions of materialism. ANCOVA results indicated some significant differences in the levels of overall materialism and in the three dimensions of materialism across the three samples, with Hypothesis 2 partially supported and Hypothesis 3 supported.

Conclusions and Implications

This study resulted in three major findings: (1) the tri-dimensionality of materialism found in Western culture (i.e., the United States) was found in East Asian cultures, supporting Richins and Dawson (1992), the general materialism literature, and the study prediction; (2) differences in the overall level of materialism across cultures were partially supported; and (3) contrary to Richins and Dawson (1992), who predict overall high materialism values to be associated with similar patterns for the three dimensions of materialism, some differences were found. Although it does indeed appear that some East Asian consumers treasure their possessions, it also appears that how they treasure them may differ. In summary, the Richins and Dawson materialism scale worked sufficiently well cross-culturally to produce the above results.

However, several methodological issues did arise in conducting the research. First, the centrality dimension items were not as robust as the other two dimensions’ measurement items. Griffin et al. (2004) experienced problems with low factor loadings for centrality in their study, and in this study only two valid items could be extracted. This suggests that researchers might want to explore item modification for the centrality dimension of the materialism scale. Second, questions were raised about the Likert response format. It may be that Asian consumers feel more comfortable with moderate responses, 3 to 5, while non-Asian populations feel no hesitancy to express more extreme opinions, such as 1 or 7. Thus, researchers may want to investigate the perceptions of Asian consumers relative to Likert-type responses. Certainly, continued improvement of the measurement of the materialism construct will help us to understand consumers better in an increasingly global world.

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Unchaining Means-End Chain Analysis
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EXTENDED ABSTRACT

Introduction
Many studies have supported the notion that consumers’ fundamental expectations could be connected to product attributes via a series of implications between benefits. The series was called a “Means-end chain” (MEC, Gutman and Reynolds 1979). As MECs are sequences of items, their variety is huge. Moreover, because any respondent chooses only a small number of items, the database is sparse and the same zero value (i.e., item not elicited) reflects attitudes ranging from total rejection to near acceptance.
To face these problems, researchers have proposed methods that constrain the format of the chains (number and content of the steps). However, fixing the length of the MECs may lead to discarding important intermediate levels or impede the emergence of shorter processes that could reflect cognitive abstraction, product familiarity and involvement (Walker et al. 1987; Perkins et al. 1988; Pitts et al. 1991; Mulvey et al., 1994). A constrained approach also faces the problem of assigning items to a priori levels. For instance, ‘joy/joyful’ may be considered as a psychosocial consequence, an instrumental value or a terminal value. In such cases, the position of the item in the chain is more explicit than its name. Hence, the analysis should be done at the chain level rather than at the item level.

Brief review of the existing methods

Researchers initially suggested to identify the dominant MECs by drawing a tree of the most frequent links (Reynolds and Gutman 1988). This solution has two limitations:

- it displays a large number of possible paths
- it can be difficult to draw, especially if the “direct” paths (those without intermediate items) and the “indirect” paths are differentiated.

Then, multidimensional methods have been proposed. However, because they ignore the order in which the items are generated, their solutions are difficult to interpret and sometimes inadmissible (Aurifeille et al., 1995).

Recently, multi-way tables have been used to analyse the interaction between levels, so that the sequential aspect of the means-end processes is accounted for. However, reliability issues imply drastic constraints: all chains should have two links and the same levels (ter Hofstede et al.1998).

The proposed method

First the MECs are translated into a common “reference” space where their similarity is measured. Then, the dominant processes are identified by clustering (Aurifeille, 2004).

The translation of the chains in a common means-end space is based on a dynamic approach, known as “Markov Chains” (Meyer et al. 1990). Two types of information are considered:

- the individual chains (MECs)
- a matrix of the probability that any two item are linked, across all chains. A common means-end structure is identified by multiplying this matrix by itself several times, until it converges to stable probability values.

Means-end processes are a specific case of Markov Chain because some items never lead to another item (e.g., the terminal goals). In this case, known as “non-transient”, the common structure has two specificities: its values concern only the output items and they differ according to the preceding items. Therefore, in the Markov chain conception, multiplying an individual chain by the common matrix will generate output probabilities that specify the chain in reference to the common processes.

Output probabilities are particularly meaningful in a “macro” perspective, where fundamental motivations must be found. A “micro” perspective may also be adopted where attributes are predominant because they draw consumers’ attention (Reynolds 1985). To account for this duality, the input probabilities should be estimated also. This is done simply, by reversing the procedure used for the output probabilities. A MEC’s input-output probabilities are more precise than its initial values, because the binary values are replaced with real numbers. Therefore, MECs can be clustered according to the similarity of their input-output probabilities.

Any clustering algorithm can be used. In the empirical study below, a genetic algorithm (GA, Davis 1991) was chosen because it is less sensitive to the starting points and to the assignment order. To operate, a GA must be supervised by an objective function. Classically, the k-biserial correlation (Milligan,1981) could be optimised using the MECs’ Euclidean distances.

In each cluster, a prototypical chain is searched. As a purely algebraic definition of this centroid could lead to interpretation problems, the only prototypes considered are the chains observed through data collection. Any other list of prototypes could be used, thus enabling more exploratory or confirmatory approaches.

Empirical study

For the sake of comparison and accessibility, the database was chosen because it had been published by Reynolds and Gutman (1988). It includes 67 MECs about wine coolers. Forty-five different MECs exist, many of them without a “terminal value”. Their lengths range from 2 to 6 items. Although Reynolds and Gutman pre-assign the items to 3 hierarchic levels, the proposed method does not require to do so.

Solutions ranging from 2 to 7 clusters, meaning 2 to 7 prototypical MECs, were generated with good internal validity (k-biserial increasing from 0.79817 to 0.92955). Throughout the range of solutions, no bias is observed towards a specific structure: some prototypes have only one link, others exhibit up to 5 links. Similarly, no bias appears concerning the type of items: one third of the MECs are assigned to prototypes with no “terminal value”. The empirical study also shows that the method can differentiate embedded processes. For example, the dominant chain 3-20 is differentiated from the more detailed one 3-8-18-20. All these results demonstrate that the intermediate items play a role in the identification of the MECs.

Conclusion

The proposed method does not appear to be biased in favour of any a priori means-end structure. Thus, its objective is achieved: affording an opportunity to investigate means-end processes without arbitrary constraints on the data collection and analysis. Further research on goal theory and benefit segmentation is then enabled by observing means-end processes that do not necessarily end with a terminal value or start with an attribute.
However, the database used in this paper was chosen in an illustrative perspective, because of its legitimacy and accessibility. Additional studies should then be done.

References

A Comparative Study of Spokesperson Accent and Communication Effectiveness in Border and Inland Mexican Cities
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EXTENDED ABSTRACT
Universal to all people is the use of language. Furthermore, communities that are characterized along such dimensions as ethnicity and general economic prosperity tend to develop shared speech patterns and habit (i.e., dialects and accents) (Platt and Platt 1997, p. 34). Since communities are perceived to vary in status (Trudgill 1983, p. 217), a speaker’s accent can influence the listener’s perception of the speaker.

The effects of accents on salesperson persuasiveness have been investigated in the United States (Tsalikis, DeShields, and LaTour 1991), in Central America (Tsalikis, Ortiz-Buonafina, and LaTour 1992), and in Mexico (DeShields, de los Santos, Berumen, and Torres, 1997). These studies indicate that standard accents are perceived by respondents to be more credible than nonstandard accents. The significance for marketers is apparent: adopt the standard accent if you want to be effective (DeShields and de los Santos 2000).

The purpose of this study is to take one step closer in understanding this relationship by exploring the impact of a spokesperson’s accent on consumer purchase intentions in four Mexican cities at different proximity to the United States border. The objective of this study is to investigate the applicability of Tajfel’s theory in explaining the impact of spokesperson accent on consumer purchase intentions in different locations with different language standards. This study extends the existing literature by comparing the impact of accent on purchase intentions at different locations within a country.

Tajfel’s (1981) social categorization, social identity, and social comparison theory (CIC) is an inter-group evaluation-based model that explains how an individual uses the group to determine his/her self-concept. According to the theory, the individual first categorizes the social environment into separate social categories, such as race or accent. Since the individual has an association or relationship with some of these social categories, this subset defines the individual. That is, the individual has a social identification with those particular social categories. The second stage to Tajfel’s theory postulates that some function of the individual’s set of social identifications creates the individual’s social identity. Social categorizations, therefore, define an individual’s social identity and part of the individual’s self-concept through a systematic category selection process. The third stage of the theory, social comparison, suggests that a positive social identity for the individual is obtained by the value and emotional importance of the individual’s group standing relative to other reference groups along some salient dimensions. Thus, the in-group members are expected to evaluate their members more favorably than out-group members. Hence, advertisers who use presenters with a positive identity along the salient dimensions of the group with which the target consumers identify will be expected to have a positive influence on targets of the target market, with other elements held constant.

A 2 x 2 factorial experimental design was used with spokesperson accent (American-Spanish and Mexican-Spanish), Mexican cities (Reynosa, Monterrey, Guadalajara, and Mexico City), spokesperson gender (males and female) and audience gender (males and female) as the between-subject factors.

In order to conduct the study, four commercials were produced by using different spokesperson genders and two different Spanish accents (two levels of spokesperson gender x two levels of accents). The product/service used in the study was automobile insurance. At the taping
session, a hypothetical promotional pitch for the company was prepared with an American-English-Spanish-accent and a Mexican-Spanish accent. After viewing the tapes, respondents were asked to complete a questionnaire consisting of the following measurement areas: a three-item semantic differential scale measuring respondent purchase intentions and 14 respondent classification questions.

The sample for the study consisted of 1,205 students (66.9%) and 596 non-students (33.1%), of whom 800 (44.5%) were males and 954 (53.1%) were females, and 47 were not accounted for due to missing data. Of the respondents, 76.5% were between the ages of 18-24, 6.1% were between the ages of 25-29, 9.7% were between the ages of 30-44, 3.1% were between the ages of 45-54, and the remaining 2.1% were more than 55-years-old, and 2.5% were not accounted for due to missing data. The primary language of 81.5% of the respondents was Spanish, 3.7% was English, and 7.3% of the respondents listed both Spanish and English as their primary languages, while 7.5% of the respondent listed other as their primary language. The ethnic composition for the key groups of respondents consisted of 1,617 (89.9%) Mexicans, 21 (1.2%) Anglos, 55 (2.8%) other Latinos, 102 (4.6%) were other ethnic groups, and 1 (0.1%) missing data. The results of the study partially support Tajfel’s theory. Briefly, the theory states that spokespersons who are perceived as a part of the mainstream of society will have a more positive impact on the purchase intentions of consumers in that society than spokespersons who are not perceived as a part of the mainstream.

The study findings indicate that a spokesperson having a Mexican-Spanish accent has an advantage over a spokesperson speaking with an American-(English)-Spanish accent in inland Mexican cities but not in a border or coastal Mexican cities. This finding is consistent with the linguistic and social psychology literature, which noted that presenters speaking in the standard accent of the audience evoke more favorable judgments than presenters speaking a non-standard accent. In addition, this finding is significant because it suggests some influence of the border and coastal regions on the language pronunciation dimension. That is, an acceptable language standard became inclusive of the accent version of the host country language along its border or coastal area.

References

Measuring Aggregate Returns in the Customer Value: An Analytical Framework
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EXTENDED ABSTRACT

The customer values for a new product of firm in competitive markets are shaped more by habits, reinforcement effects, and situational influences than strongly-held attitudes. However, the aggregate returns on the customer value towards the new product from the perspective of a firm may be observed manifesting in enhancing the market share, market coverage and augmenting profit in a given market. The academics, consultants and business people speculated that marketing in the new century would be very different from the time when much of the pioneering work on customer loyalty was undertaken (Churchill 1942; Brown 1953; Cunningham 1956, 1961; Tucker 1964; Frank 1967). Yet there exists the scope for improving the applied concepts as there have been many changes over conventional ideologies. It has been observed in one of the studies that the customer values are created towards the new products through individual perceptions, and organizational and relational competence (Johanson et.al., 2001). The value of corporate brand endorsement across different products and product lines, and at lower levels of the brand hierarchy also needs to be assessed as a customer value driver. Use of corporate brand endorsement either as a name identifier or logo identifies the product with the company, and provides reassurance for the customer (Rajagopal and Sanchez, 2004).

The Model

A firm may introduce the new product with the high investment \( M_{ij} \) in terms of product attributes \((i_1, i_2, ..., i_n)\), promotion \((i_2)\) and other related factors \(\ldots (i_0)\) related with gaining competitive advantage in a given time \(t\) in the \(j\)th market. Let us assume that \((s)\) is the estimated market coverage for the new product, the customer value \(\tilde{V}_{NP} \) may be initially positive and high, resulting into deeper market penetration (with \(s\) increasing). This may be described as:

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I express my sincere thanks to anonymous referees for their comments and guiding the improvements in the paper.
However, \( V_{np} \leq \frac{\partial v}{\partial t} \) may become negative following product competition within the product line due to the product overlap strategy of the firm. In the above equation, volume of buying is represented by \( \partial v \) in a given time \( t \). To augment the customer value and enhance market coverage for the new products in the potential markets the firm may optimize the product line \( [s]_{j,h} \) by pruning the slow moving products in the \( j \)-th chain in \( h \) market in order to reposition them in new market. Hence to enhance the market coverage for the new product with enhancing the customer value for the new product of the firm, the strategy may be described as:

\[
S = \int \left[ k + \{ \frac{\partial v}{\partial t} \}_{j} \right] dt + \beta^t R
\]

Where \( S \) is the market coverage of the new product, \( k \) is the investment on market functions derived in a given time \( \) [equation (vi)] and \( R \) is the referral factor influencing the customer values with an advantage factor coefficient \( \beta \) in time \( t \). The products constituting the optimal product line of the firm in a given time is represented by \( P_t \) in the above equation. The firm may measure the customer value shocks accordingly and shield the uncertainties occurring to the estimated market coverage due to declining customer values for the new products. As is common the new products are susceptible to such value shocks in view of the companies’ own product line strategy.

Let us assume that the new product attractiveness is \( F_x \) and initial product market investment is \( M_t^{(i_1, i_2, \ldots, i_n)} \), perceived customer value of the new product is \( V_{np} \) and competitive advantage driver for the customer is \( C_{at} \) at a given time.

\[
F_x = \sum_{j}^{h} \left[ M_t^{(i_1, i_2, \ldots, i_n)} \right] (V_{np})(C_{at})
\]

Hence

\[
F_x = M_{t}^{i_1,j} \frac{\partial v}{\partial t} = M_{t}^{i_1,j} \frac{\partial b}{\partial t} \frac{\partial s}{\partial t} = M_{t}^{i_1,j} \frac{\partial v}{\partial s} (V_{np})(C_{at})
\]

Where in \( M_t^{i_1,j} \) denotes the initial investment made by the firm for introducing \( t \) the new products, \( v' \) represents the volume of penetration of new product in a given market in time \( t \) with estimated market coverage \( s \). In the equation \( b' \) expresses the volume of repeat buying during the period, the new product has been penetrated in the market by the firm. The total quality for new products goes up due to economy of scale as the quality is also increased simultaneously \( \left( \frac{\partial v}{\partial s} > 0 \right) \) and \( \left( \frac{\partial b}{\partial s} > 0 \right) \). In reference to the new products \( x \), the competitive products create lower values to the customers \( \left( \frac{\partial v}{\partial x} < 0 \right) \) while the innovative products irrespective of price advantages, enhance the customer value \( \left( \frac{\partial v}{\partial x} > 0 \right) \). The value addition in the competitive products provides lesser enhancement in customer satisfaction as compared to the innovative products if the new products have faster penetration, re-buying attributes and market coverage.

If, \((x_0, x_1, x_2, \ldots, x_{n-1}, x_n)\) represents customer value at different stages of product attractiveness, increasing with reference to the derived advantage from the competing product in a given market at a given time \( t \). In the process of enhancing the customer value for the new products a firm may use intensive customer value for new products; a firm may use intensive customer relationship management (CRM) strategies simultaneously to the competitive sales and marketing strategies. The integrate impact of CRM, sales and marketing strategies at different stages of product attractiveness would contribute to the customer value. An aggregated customer value represented by \( R_n \) and can be calculated with the following equation:

\[
A(R_n) = f(x_0) \Delta x + f(x_1) \Delta x + f(x_2) \Delta x + \ldots + f(x_{n-1}) \Delta x
\]

Further simplifying this equation, we get,
\( A(R) = A(R_n)_{\lim n \to \infty} + \sum_{km} \left[ (\Delta v' + \Delta b') (\Delta s) \right]^t \) 

In the above equation, \( A(R) \) represents the aggregate returns on the customer value derived at various stages of product attractiveness and quantitative changes in the volume of goods positioned by the firm, repeat buying, and market coverage in terms of changes in the market shares of the firms. However, a firm may need to compute the trend of customer value for all the products in its product line, and measure the variability in the customer values perceived for its new products. The customer value trend for a given product line \( (p_l) \) may be derived through the following equation substituting the equations (iii) and (iv).

\( V_{p_t}^{t_0 \to \infty} = \sum_{km} \left[ A(R + F_x) \right] \frac{\Delta s}{\Delta t} \) 

In the above equation, the customers’ value spread across the time frame \( V^{(t_0 \to \infty)} \) which represents the value spread from the time of introduction of the new product \( (t_0) \) till the project period \( (t^\infty) \). It may be possible that the new product of a firm may acquire a higher market share but relative performance in reference to the products within the given product line may be comparatively lower. Under such conditions the profit contributed by the new product of the firm may be described as

\( Y_t = f \left[ F_x, v', b' \right] \frac{\Delta s}{\Delta t} \) 

Wherein \( Y_t \) represents the profit contribution by the new product in time \( t \).

The derived efficiency value can be understood as the return on the customer’s investment. Products offering a maximum customer value relative to all other alternatives in the market are characterized as efficient.

**Conclusion**

There has not been many contributions emerged in the past addressing the measurement of the customer value as an intangible asset of the firms, though substantial literature is available discussing the customer relations and loyalty building perspectives. The model discussed in this paper provides a holistic view of the customer value by proposing ways to measure the different variables associated with it viz. product attractiveness, market coverage, communication and point-of-purchase services offered to the customers.

**References**

Pop Divas and the Expression of Emotions in Virtual Communities: A Cross-Regional Comparison
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EXTENDED ABSTRACT

Studying the expression of emotions in virtual communities yields insights into the mindset of people, especially in the virtual community environment. In this milieu, people post messages voluntarily with the only purpose to be in contact with others who share the same interests. It’s important for marketers to understand emotions in people because emotions are a very important factor in consumer behavior. Emotion is linked to consumption and can influence attitudes and actual behaviors. Understanding the emotions expressed in virtual communities helps marketers improve their understanding to develop strategic plans more effectively and with more accuracy.

The purpose of this paper is to compare emotions expressed among members of three virtual communities. These communities are composed of fans of popular female singers from Latin America, North America, and Asia. This study is not concerned with the way people from different cultures interact in virtual communities, because virtual communities don’t have geographic nor cultural boundaries, but in the way members of virtual communities, who are fans of popular singers from different cultures, interact.

This study is at the confluence of three important streams in consumer behavior research: Internet communities, popular culture (as expressed in popular music), and emotion. The research is conducted by examining three virtual communities that are composed of fans of popular music female singers. The communities considered for this study post messages in English only.

A virtual community is a group of people who interact online and share common interests (Williams and Cothrel 2000). Further, Hagel (1999) suggests that these online discussions lead to a complex network of personal relationships. The concepts of time and space are not constraints in the formation of this kind of community. There are no geographical restrictions because as long as the person has Internet access, she/he can join the community. The time restriction doesn’t exist either because these communities can be reached at any time 24 hours a day, 7 days a week.

Emotions are often related to consumption. For example, in an effort to measure emotions in consumption, Richins (1997) developed the Consumption Set of Emotions (CSE) as a set of emotions felt during consumption experiences. Other examples of emotions related with consumption are the study of both brand loyalty and image and value transmission to individuals. Brand loyalty involves the feeling of liking, such that emotional sentiment toward a brand is likely to yield a positive feeling for that brand (O’Shaughnessy and O’Shaughnessy 2003). Music has also been related with image and value transmission. Pop singers can influence fashion in youngsters (Hogg and Banister 2000) and the values reflected in music (Dolfsma 1999).

Pop music consumption includes the purchase of recorded music, attending live concerts, watching music videos, and listening to the radio (Hogg and Banister 1999). Other forms of consumption may be related with music, like the purchase of music books and magazines and clothing with a pop star printed on them.

Music can trigger emotions and feeling, either through lyrics or the melody. Some researchers argue that emotions are reflections of our own previous experiences. For example, a happy song may trigger sadness in a person who relates that song to a sad event (Baumgartner 1992). For marketers it is important to understand pop music listeners’ emotions, to better target strategies which will increase the popularity and sales of the singers, as well as to understand the consumption experience.

The purpose of this study is to examine the emotions that virtual community members express to other members of the community. People who belong to these communities share a common interest: being fans of the same pop singer. Cultural aspects will be discussed relevant to the expression of emotions among different cultures, such as individualism/collectivism, independent/interdependent cultures, and high/low context. By examining the three geographical areas of Latin America, North America, and Asia, we can make cultural distinctions among them and have a better understanding of cultural differences in music listeners. No previous study has been found that has explored whether the feelings expressed among members of virtual communities will differ. In sum, the contribution of this paper is to shed light on two main research questions: Are there cultural differences in the way virtual community members of popular music interact? And if so, what are these differences?

One important aspect is that we examined only English-speaking virtual communities without considering the language in which the artist sings. Also we studied only fans of female pop singers. There are two reasons to confine our research to the fans of female artists. First, virtual communities of Asian male pop singers do not seem to exist. And second, in previous research Maldonado and Minor (2003) found that female singers are more likely to cross gender boundaries: That is, female singers have opposite-sex fans in bigger proportions than male singers, as well as enjoying a substantial female fan base.

We found that levels of fear, guilt, love, anger and shame were different among the communities. Our general assumption that Latin America and Asia would be more similar to each other than to the U.S. was not confirmed. Among the unanticipated differences we found was that love was more often expressed in the North American than the Latin American context, suggesting that more research is needed on the expression of emotions between countries.

References
Internet Addiction: Measurement and Relationship with Materialism and Compulsive Buying

Reto Felix, University of Monterrey, Mexico

EXTENDED ABSTRACT

Although most consumption activities in our modern society are desired and unproblematic, there seem to exist undesired side effects which have been described in literature as “the dark side of consumer behavior” (Mowen and Minor 2000). These effects include, e.g., materialism, compulsive buying, pathological gambling, and substance abuse. More recently, the excessive use of the Internet has been added to this list, and some authors (Griffiths 2000, Young 1996, 1998) suggest that individuals may become addicted to the Internet in a similar way as they become addicted to substance abuse or other forms of compulsive behavior. Despite the attention Internet addiction (IA) has received in the popular press and some journals specialized in psychology and behavior on the Internet, there are several measurement issues such as construct validity and reliability that have not been resolved satisfactorily yet. Further, it is not clear if IA has received as much attention as it deserves in comparison to other addictive behaviors. Despite the attention IA has received so far, the relationship between IA and other compulsive behaviors such as materialism and compulsive buying is still not well understood.

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Exploratory factor analysis for the nine-item materialism scale revealed two factors. However, one of these factors was composed of only one item (item 8), which is a reverse-worded item. Reverse-worded items have been shown to be problematic for the material values scale (Wong, Rindfleisch, and Burroughs 2003), and removing this item from the scale increased internal consistency (Cronbach Alpha) from .82 to .84 and provided a one-factor solution. Using confirmatory factor analysis, the one factor solution was compared to a three factor solution, reproducing the suggested factor structure previously documented in literature (Richins and Dawson 1992) with the three dimensions of success, centrality, and happiness. Model fit indices such as NFI, CFI, and RMSEA suggest that the three-factor solution is superior to the one-factor solution. The correlations between the three dimensions range from .72 to .80, thus suggesting that the three dimensions are in fact related to the same underlying construct, materialism. Psychometric properties for the seven-item compulsive buying and the 11-item Internet addiction scales were satisfying as well. Cronbach Alphas were .87 and .92, respectively. Whereas model fit indicators for the compulsive buying scale were good, models fits for the Internet addiction scale showed to be problematic. An inspection of the modification indices suggested some error covariances that might improve model fit when being estimated. However, because the estimation of these error covariances would have been statistically motivated instead of being based on a sound theoretical grounding, the option of removing two items with low item-total correlations was chosen. The reduced nine-item Internet addiction scale showed improved model fits and good internal consistency (Cronbach Alpha=.91).

To investigate the relationship between materialism, compulsive buying, and Internet addiction, three cases were distinguished conceptually. First, the correlation between two addictive behaviors can be negative, indicating a substitutional relationship. Second, the correlation may be zero or not significant, indicating independence between the constructs. And third, the correlation may be positive, indicating the simultaneous occurrence of the behaviors and thus suggesting comorbidity. Both Pearson correlations and correlations from confirmatory factor analysis showed a relatively strong and positive relationship between materialism and compulsive buying, a relatively weak, but still significant, positive relationship between materialism and Internet addiction, and a moderate, positive relationship between compulsive buying and Internet addiction. Thus, the results suggest comorbidity among the three constructs, with the highest level of comorbidity between materialism and compulsive buying.

The results suggest several implications for marketing practice and policy making. From a policy making point of view, educators may try to emphasize non-materialistic values more than those based on worldly possessions. For marketing practitioners, there are ethical questions that should be considered and discussed more openly. For example, quite some advertisements propagate the idea that worldly possessions are able to resolve problems in personal or social relationships. Marketers frequently suggest that buying a certain brand of cars, perfumes, clothing, or accessories such as watches and jewelry will make individuals more attractive, more desirable, and more successful in their relationships with others. However, a negative side effect of this cultivation of material values may be the emergence of more addictive (and as such problematic) behaviors. Evidence from this study suggests that Internet addiction is a real phenomenon that is in fact related to other problematic consumer behaviors and traits. Finally, it should be noted that this research has considered only three constructs related to problematic consumer behavior, and future research should strive to integrate other constructs, such as pathological gambling or substance abuse, to obtain a more complete picture of problematic consumer behavior.

Selected References
Understanding Consumers in Colombia: A Retail Industry Case Study
Ashok Som, ESSEC Business School, Paris

EXTENDED ABSTRACT

Carrefour, since its merger with Promodèes in 1999, was ranked as the French world challenger and the European leader in the retail industry. Carrefour followed an aggressive growth strategy by going global from the early 1970s. Its first mover advantage in the international retail sector market and the local acquisitions and by adapting itself to local cultures and consumer habits, it had become the second largest retail company worldwide. Carrefour saw moderate success in penetrating the developed markets of the United States and the UK but it had successfully implemented its multi-format strategy in emerging markets such as the Eastern Europe, Asia and Latin America. The Latin American market had witnessed the highest growth rate for Carrefour especially in countries like Colombia where the growth rate at comparable exchange rates had been over 30% in year 2003. The case discusses and highlights the (a) entry strategy of Carrefour in the Latin American market (b) linkage between its strategic intent and its growth strategy in international markets (c) marketing, pricing, branding, use of private label strategy (d) its overall strategy of conquering markets by fast local adaptation to individual markets and its responsiveness to local businesses focussing on the Colombian market.

The main purpose of the case is to make the students aware, evaluate and analyze the Latin American market through the example of a multinational company that has a well-developed strategic intent for conquering the Latin American market, and has successfully implemented its strategic intent and in places where it failed to do so it has exited from that market.

The methodology used to write this research case has been interviews from experts in the retail sector, managers of Carrefour in France and Colombia. The objective of the case is:

- To illustrate one of the fastest international growth strategies (mainly by acquisitions)
- To illustrate and make students aware of the retail sector in general and the retail sector in France
- To illustrate the strong linkage between a company’s organizational capabilities, its strategic intent and its core competencies.
- To evaluate the multi-format strategy that Carrefour employs to integrate local responsiveness, global scale efficiency while evolving a capability to learn not only from its worldwide successful innovations but also from its failures.
- To show how cultural aspects are important to develop a company’s strategy, especially in emerging markets
- To analyze why Carrefour’s international strategy has been successful in Latin America, specially in Colombia

The potential audience of the case can be varied. The case can be used in a variety of MBA and executive courses in international strategy and management, strategic marketing and general management. Students of MBA or Masters Degree programs concerned with developing international managerial skills, especially in Latin America would find the case interesting to discuss and debate on. It is best used in a course or a module focused on International Business/International Strategy and Management, or more specifically, on Managing Global Corporations. It can also be used in courses or modules on “Managing across cultures/Cross-cultural integration”, and “Emerging Markets”, to illustrate the challenges of globalization and internationalization.

Also professionals working in the retail market and/or doing business in mass consumption sectors in the Latin American market would find this case informative. Companies trying to enter or which are already doing business in the Latin American market may find it interesting too to know about the retail business in the Latin American market and the trends in consumer habits, preferences and expectations in these markets.

It has been seen that a set of four questions is identified for the case. The questions are:

1. Comment on the exponential growth Carrefour had in the last decade. In this context what does globalization mean for the retail sector in general and Carrefour in particular?
2. What is the rationale for expansion in emerging markets vis-à-vis consolidating in mature markets? Do you think their current strategy of rapid expansion by acquisitions is the most preferred one? How is value created in this process?
3. Why do you think Carrefour has become so successful in Latin America, and in Colombia especially? Comment on its multi-format and pricing strategy and private labels business.
4. Discuss the impact of culture issues (French company operating in Latin America) and issues related to understanding consumers particularly in Colombia?

These four questions can be assigned to students in advance to help them prepare for the class discussions. It may be helpful to ask each group of students to prepare for all the four issues, but to focus on one of the four issues so as to be able to take the lead in the class discussion on a particular issue. In MBA classes, it may be worthwhile (subject to availability of time) to kick off the discussion on each issue with one group presenting its analysis and recommendations on that issue. With such a process, while all the learning points can be extracted, students can enjoy the additional benefits of honing their presentation skills and of having greater fun and responsibility.

I have found maximum benefit by combining unstructured discussion on each of the four issues with a brief summary/lecture at the end of each issue to create a structure which helps the students appreciate the underlying theory of each issue. This works very well with European MBA students. In a mixed class of American, European and Asian MBA students, I rely entirely on discussion to generate insights for each student and keep summary/lecture for the end of the session. For executive programs, I have found unstructured open-ended discussions to be more effective with a debriefing session at the end of the session. Depending on the personal pedagogical beliefs, instructors may choose to combine the presentations at the beginning of class, at the end, or eliminate them altogether. The case is best suited to be discussed in the later stages of the course while discussing “managing business in emerging markets”.

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Incorporating Heterogeneity into Count Data Models Applied to Marketing

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Pedro Jesus Fernandez, EBAPE-FGV, Brazil

EXTENDED ABSTRACT

In numerous empirical investigations into consumer behavior, the focus of the analysis is centered on explaining a limited dependent variable. Such limitation takes several forms, namely as a variable with limited continuous distribution to the left or to the right. Other limitations include variables with a finite number of values, such as those that take non-negative discrete values. Those data are usually referred to as “count data” and occur frequently in different marketing contexts, because they describe the number of times an event is observed. Examples include the number of purchases in a product category or the number of clients who visit a given store within a specified period of time. In marketing, this type of data has two basic characteristics: 1) excess of zeros (zero-inflation), more than expected in any Poisson distribution and; 2) heterogeneity among observations (buyers or consumers). Such characteristics may represent real problems if we use traditional models (such as the Poisson Regression model) to treat these data. This article deals with these two problems and incorporates some unusual reflection on count data modeling in marketing: 1) models which do not take zero-inflation into account will have poor fit; and, 2) the inclusion of unobserved heterogeneity may significantly improve the model’s goodness of fit, depending on the data (which would support the idea that independent variables are not always crucial to explain the dependent variable); and; 3) in many cases the heterogeneity of consumers may be sufficient (or even necessary) to explain the behavior of the dependent (count) variable.

The problem of zero-inflation may be resolved, for example, by modifying the Poisson distribution and introducing Zero-Inflated Poisson (ZIP) distribution, combining zero-inflated distribution (to represent purchases not made during the period under analysis) with Poisson distribution. Explanatory variables may also be included, generating a Zero-Inflated Poisson Regression model. The other problem is the low homogeneity among buyers or consumers. Economists attempt to resolve this issue by using econometric models referring to the “average consumer,” which may be not attractive for marketing scholars, as they are interested in understanding consumer behavior on a more disaggregated level. Also, heterogeneity among individuals is usually taken into account by incorporating explanatory variables, such as demographic variables. Nonetheless, this heterogeneity may contain an unobserved component, and the inclusion of such variables may not be sufficient or may even be unnecessary, when more robust models may be obtained by considering individual differences (as in the case of this article). This means that the observed events (e.g., buying, consuming) are formed by individual components that when combined are capable of explaining more complex phenomena. In other words, explanatory variables, which are highly useful in aggregated behavior models, may lose their importance when heterogeneity among consumers is incorporated.

Estimates of unobserved heterogeneity may be achieved by using Bayesian methods, which have appeared increasingly in the marketing literature and cover a variety of problems and data sources. This increase is based on the notion that buyers differ in their preferences and that firms should therefore take this into consideration when optimizing their marketing actions. All the models presented here were estimated with Bayesian methods.

Two datasets were analyzed: one of which was obtained from Wooldridge (2000) (cigarette consumption-dataset 1), and the other was collected in a Brazilian supermarket chain (purchase of cocoa-dataset 2). From the results obtained and discussed, the combination of unobserved heterogeneity and the explicit acknowledgement of zero-inflation resulted in the best model (that which presents the best fit) for dataset 1, namely the ZINBD (Zero-Inflated Negative Binomial Distribution) model. Depending on the data, the inclusion of unobserved heterogeneity can substantially improve the quality of the adjustment of the models. The consideration of heterogeneity (intrinsic differences among buyers/consumers) in the two datasets may be more important than the inclusion of explanatory variables. Indeed for both datasets, the NBD (Negative Binomial Distribution) model without the inclusion of such variables (NBD distribution model) shows better fit than the model that incorporates them (NBD regression model). This would indicate to marketing researchers that the inclusion of explanatory variables may not always be the best option for the explanation of the response variable. Hence, it is useful to identify explanatory variables that are more adequate. Explanatory variables are important because they normally involve variables of the marketing mix and therefore serve as instruments of action for marketing practitioners to alter the response variable, which is often related to demand (as was the case with the two datasets analyzed in this article). So, the inclusion of variables that do not enhance the fit of a purely stochastic model, such as NBD, should be queried by researchers. The results also indicate that the NBD or ZINBD distribution models (in case there is zero-inflation) could be used as a benchmark to be attained by competing models.

Future research should analyze the existence of a finite number of segments of different buyers/consumers. This could be done by using other heterogeneity distributions, such as a mixture of normal distributions. Concentration on a finite (although unknown) number of segments, or non-parametric methods, such as Dirichlet Process Prior, could be attempted in the Latin America arena.

References


**Channel Blurring and Consumer Expectations: Evidence in Chile**

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**EXTENDED ABSTRACT**

Retail firms from all over the world are struggling to satisfy customers by providing more than just goods and services, but an ideal shopping experience. The shopping experience incorporates several elements such as low prices, product quality, information, assortment, convenience, entertainment and services, among others (Arnold et. al., 1983).

Nevertheless, it is difficult to construct a single shopping experience because distinctions between retail formats are begging to blur and overlap. The increased competition in retailing has led to a situation of channel blurring, where retailers have broadened their assortment and consumers can find groceries and electronics in supermarkets, as well as in department stores, drug stores, or home improvement stores. Due to this aggressive level of competition, where consumers can buy the same products in any of the four formats, it is important to understand what are the most important attributes for consumers when shopping at these retail formats.

Studies on store choice and shopper experience have generally been tested in one specific retail format (e.g., Sirohi et. al., 1998). A few studies have found that the importance assigned to a store attribute may vary depending on the reason for buying the product (e.g., Green & Krieger, 1995; Thelen & Woodside, 1997; Van Kenhove, et al., 1999). Overall, the literature suggests that consumers may associate certain store formats with specific expectations and needs. However, it is not clear if these consumer expectations, and therefore saliencies, vary across retail formats.

Chile has one of the most concentrated and developed retailing industry in Latin America. The Chilean retailing industry has consistently reacted towards foreign threats, resulting in a local industry with increased level of consolidation and concentration. An important trend in Chilean retailing industry during the last decade has been the increase in channel blurring. For example, grocery retailers sell appliances, electronics, clothes, books, stationery products, gardening and outdoor products. Department stores sell books, food, and provide hairdressers, and tourist services in their stores. Drug store retailers offer food, drinks and gifts in their stores. Finally home improvement retailers sell kitchen appliances, gifts and garden products.

This investigation attempts to identify consumer expectations regarding the relevant store attributes that lead consumers to have an ideal shopping experience for the different retail formats (grocery retailers, department store retailers, drug store retailers, and home improvement retailers centers). Consumers may have different expectations of an ideal shopping experience for different retail formats. This suggests that consumers may assign different saliencies to store attributes depending on what retail format they are shopping. Can one retail format fulfill all of the attributes required by consumers? The literature review suggests that consumers still associate certain store formats with specific expectations and needs. Thus, the main research question of this is the following: *Do consumer store attribute saliency vary for different retail formats?*

To assess the research question, this study utilized a mix of qualitative and quantitative methodologies, such as in depth interviews, observation, and surveys. These methodologies helped identify customer expectations regarding the salient attributes that lead to an ideal shopping experience for the different retail formats. The study was held in two stages, with a total duration of 8 months (July 2003–February 2004).

Twenty interviews were held with consumers of different sex and ages. The interview data identified twelve store attributes that were salient for an ideal shopping experience for consumers when shopping at the different retail formats (drug stores, grocery stores, department stores and home improvement stores).

Based on the qualitative data, a questionnaire was developed, pre-tested and applied personally to a population of approximately 700 graduate students of a Chilean University. This questionnaire asked respondents to evaluate the importance of each variable mentioned, when shopping at each of the different retail formats mentioned in this study. The 12 variables included in the survey where statistically tested in a One-way ANOVA test with a significance level of 95%, in order to verify if there existed differences between the medias. At
the same time, to support the evidence obtained in the ANOVA test, a Scheffe test with a significance level of 95% was applied to all of the variables. This test permitted pair comparisons between medias, to establish which ones where differing across formats.

Results showed that 7 of the 12 variables had significant variability across their means at a significance level of 95%. Responsiveness of employees, location, possibility of purchase through Internet, store layout and decoration, quick and easy access to the store, low prices and variety of prices showed significant differences across formats. Results also showed that one retail attribute, product quality, was relatively important for consumers across all four retail formats. This results suggests that product quality is a must and retail firms cannot differentiate on this attribute.

The data also suggests that differences exist in store attribute saliencies for consumers when shopping at different formats. This implies that retailers should emphasize certain store attributes over others depending on their format in order to satisfy and retain their consumers. These results suggest that channel blurring may not be suitable as a long term strategy, but perhaps a first step for in-store development of new business areas that eventually will become a store format of their own, such as clothes offering in supermarkets or delicatessen and food products in department stores.

The choice of a database of 700 graduates of a high-level university limits the generalizability, due to the selection of the sample solely targeting the middle-up income market. Future research should address this issue by considering lower income markets as well. Despite the limitations, the findings should enhance our knowledge of consumers in Chile and the Chilean markets as well.

References

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EXTENDED ABSTRACT:
Advertising images remain an important topic for marketing and advertising literature because research suggests that visual imagery provided by advertisements has a significant effect on the belief system of a given society. Indeed, advertising produces and reflects values, attitudes and behaviors of the social realm where it is embedded. It gives meanings to words and symbols, playing a special role in the interpretation frame of the current world (Kang 1997). Actually, advertising molds and mirrors life and this is enough to plead our attention. Whereas, advertising’s critics have generally held that mass media pictures may well be selective and biased to forge specific ideas, this fact reinforce the reason why these images represents an important historical record, as they denounce how a given society would like to see itself. (Belk and Pollay 1985).

Research related to female portrayals in advertising has been the focus of attention of many academic studies because mass media messages about women have often depicted them in a stereotypical manner such as: women are irrational, fragile, not intelligent, submissive and subservient to men (Belkaoui and Belkaoui 1976; Courtney and Lockeretz 1971; Goffman 1979; Kang 1997; Venkatesan and Losco 1975). In addition, these investigations have shown that these portrayals haven’t reflected changes in female roles in modern societies. Indeed, mass media has concocted women’s image mainly as sex object, wife and mother whose primary goal in life is to look beautiful for men.

It is in this context that the main purpose of this investigation is to examine female roles portrayed by advertising. More specifically, the questions that motivated this research were: 1) what messages about women have been shown to society through advertisements? 2) Have these portrayals been changed during the past decades?

We propose that images in advertising can be organized in three different groups: stereotyped, idealized and plural portraits. These three labels are mentioned by the literature related to female portrayals in advertising. In addition, the majority of the categories and their operational definitions come from previous research, mainly from Goffman (1979). Nevertheless, they also come from Kang (1997), Courtney and Lockeretz (1971), Venkatesan and Losco (1975), Belkaoui and Belkaoui’s (1976), Jaffe and Berger (1994) and Acevedo et al (2004) studies, as it is explained in the methodology part of the article. However, some few categories were developed in a pre-test of the present investigation.

This study consists of a systematic content analysis of the role portrayed by women in Brazilian commercials during 1973 to 2000. Advertising television was the unit of analysis for this study. In addition, the population from which this sample was drawn consisted of Brazilian commercials which got an award in international and national festivals from 1973 to 2000. These pieces were obtained from a project developed by a Brazilian organization named “Museu Virtual Memória da Propaganda” (Virtual museum of advertising memory).
Twenty seven years--from 1973 to 2000--were chosen for the study. A two stage sample procedure was employed. First, those commercials which portrayed at least one woman were retained. In addition, repeated commercials were not selected for the sample. In a second stage all the remained commercials were enumerated and a probabilistic simple sample procedure was undertaken. Finally, ninety five pieces were selected. Using this sampling technique we intended to assure that the systematization criterion was followed.

Objectivity in content analysis specifies that the categories of analysis are defined quite precisely. In this way, the majority of the labels employed to nominate each category, their definitions and their measurements were based on previous research. However, some few categories were developed in the pre-testing of the present study. In addition, it is important to stress that the categories of this study were not independent or mutually exclusive.

Results show that the following pictures “Function ranking”, Ritualization of subordination, Licensed withdraw, Dependent, Women as shallow declined in later years in comparison to former years. Images as Feminine touch and Window display maintained or increased its performances in the second decade (1981-1990) in comparison to the first one (1973-1980), however, they presented a strong decrease in the last term (1991-2000).

Descriptions as “Body revealing clothes or nudity”, “Decorative roles”, “An object of ridicule have increased in later years in comparison to former years. On the other hand, images as Women as low income earners and Super women have rarely been shown through the 27 years term. Moreover, some stereotyped portrayals as Women as physically beautiful, Housewife and Irrational did not play an extremely significant position among other images; however, they were presented in ads in a regular basis during the extent of time under analysis.

The two idealized depictions were always well represented through the three decades of the investigation. Indeed, in comparison to the other portrayals in the study, the image “physically perfect” was one of the two which were most depicted. In addition, the pictures “Caucasian ethnic characteristics” and “Physically perfect” have increased in later years in comparison to former years.

In relation to the plural portrayals, two of them appeared most often during the 27 years under analysis. They were: Not Caucasian ethnic characteristics and Independence. Indeed, the first one was the picture most exhibited in the 27 year-period of investigation. These two pictures maintained or increased its performances in the second decade (1981-1990) in comparison to the first term (1973-1980). However, they presented a strong decrease in the last term (1991-2000). On the other hand, the pictures as “Home and family tasks equity” and “Women in a prestigious or professional or high income earners” have rarely been shown through the 27 years term.

References

The Adoption of Foreign Music as a Hedonic Experience: A Theoretical Model
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EXTENDED ABSTRACT

Despite the importance of music in our everyday lives, there is no deep understanding of the factors influencing the adoption of music as a product, especially unfamiliar music genres such as those from foreign cultures. As such, antecedents and consequences related to music preference and acceptance remain unclear. Highlighting the importance of this study, recent data show five percent of all records sold in the US came from foreign markets, which represented more than $ 700 million in retail sales (Throsby 2002). This paper develops a theoretical model to facilitate understanding of this phenomenon. Specifically, two issues are addressed in this study: 1) listening to music as a leisure activity and 2) the hedonic consumption of music as a product.

The leisure consumption of music, as opposed to background music, creates a hedonic experience characterized by gratification-seeking motivations and includes both affective and cognitive aspects (Anand, Holbrook, and Stephens 1988, Holbrook and Hirschman 1982). Similarly, subjective experiences characterize this type of consumption, which are integrated as hedonic motives (Holt 1995). Affective responses and pleasurable emotions generated by satisfying musical experiences influence customers attitudes, favoring consumption behaviors that re-create this positive affect (Lacher 1989, Lacher and Mizerski 1994). Leisure consumption experiences, such as music consumption, share these intrinsic, hedonic motives (Iwasaki and Manell 1999, Unger and Kernan 1983) and freedom (Iso-Ahola 1979). Furthermore, novelty seekers have desire of new experiences by a search of any novel situation, like listening to foreign music as a motivation for hedonic experience (Cotte 1997).

The model developed here integrates five theoretical issues that might impact consumer acceptance of foreign music: 1) aspects of the music, 2) consumer responses to music (pleasure, arousal, and surprise), 3) personal characteristics, like cognitive and demographic variables, 4) the elements in the leisure environment, like the availability of leisure time, and 5) and consumer attitudes and preferences for music.
Characteristics of the music itself potentially impact consumer acceptance. Among these are the familiarity and complexity of the music (Anand et al. 1988, North and Hangreaver 1999, Zissman and Neimark 1990). In this case, familiarity might include both prior exposure to the music, as well as exposure to key musical elements defining the musical genre, such as tempo, pitch and texture (Bruner 1990, Kellaris and Kent 1994). When music is unfamiliar, two opposing evaluative forces impact adoption. To the extent that unfamiliar music is seen as novel or surprising, evaluations are likely to be favorable as it satisfies consumers’ needs to these affective elements (Holbrook and Hirschman 1982). If the music is viewed as strange or foreign, it is likely to be viewed as unacceptable for the consumer.

Personal aspects of individual consumer have also been identified as factors affecting potential acceptance, although the contribution of gender to acceptance is murky. For instance some studies report no significant difference based on gender (Lowis 2002), while others (Wansink 1992, Lacher 1994) find that gender has a significant impact on music evaluation. Other demographic factors that may influence the perception of music are social class (Peterson and Di Maggio 1975, Blau 1988), age (White 1985), and ethnicity (Blair and Hatala 1992).

Since leisure activities are limited by Western cultural norms favoring puritanical beliefs in the value of work, the availability of leisure might impact music acceptance either alone or through limiting prior experience with music (Holbrook and Hirschman 1982, Thompson and Haytko 1997).

Finally, consumers’ evaluations and preference for music might be expected to impact their acceptance of unfamiliar music, and this acceptance will increase the likeability of music as exposure increases (Snell, Gibbs, and Varey 1995). Positive evaluations of similar types of music or personal preferences for certain types of music might impact acceptance (Lacher 1989, Iwasaki and Mannell 1999).

The integration of various theoretical streams evident in the model gives basis for increasing our understanding of music consumption in the context of acceptance of unfamiliar music. However there are some methodological aspects that need to be addressed to obtain valid and reliable results (Bruner 1990). For instance, reliable and valid measures of new constructs must be developed and a suitable design must be developed.

This study will help both academics and practitioners by understanding the factors, and the interaction among them that influence the acceptance of foreign music. For academics, by giving a theoretical framework to base research in different cultures and scenarios. And for practitioners, by helping develop commercialization strategies for music in other counties and cultures, especially now that music is available all over the world using the Internet as distribution channel.

References


## Improving the Predictibility of Personal Values

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### EXTENDED ABSTRACT

**Research Question**

Firms’ success often depends on how lasting is their relationship with the customers. Product attributes are not sufficient to build such a relationship, because they can be copied and they must adapt to technical progress (Aurifeille 2004). Consumers’ expectation is a personal and therefore stronger way to create a firm-to-consumer relationship. Human values have often presented as a convenient approach to consumer central expectations (Rokeach 1973). Some empirical studies indicate that values help predicting consumers’ choices (Homer and Kahle 1988; Sheth, Newman and Gross 1991; Kamakura and Novak 1992). However, in most cases, their predictivity was found marginal or non significant (Henry 1976; Kahle, Beatty, and Homer 1986; Mc Carty and Shrum 2000). The question, therefore, is to measure values’ influence in a more predictive way, without reducing the durability of the measure.

**Hypotheses**

Researchers have suggested that this lack of predictivity is due to the fact that values’ influence is not exerting a constant pressure on consumers’ decisions (Rokeach 1973, Aurifeille 1993): their influence depends on how important the product is for the consumer. Therefore it may be assumed that, over time, some consumers are more value “driven” or “value minded” than others. According to this hypothesis, consumers would not only differ according to their value hierarchy but, also, according to the global importance of their value system. The following hypothesis (H1) is tested: “The global importance of a consumer’s values is significantly related to his or her choice of product brands”.

Furthermore, as human values are more central, the moderating effect of attitudes should be less influent when the product is connected with the consumer’s self (Walker and Olson 1991; Olson and Reynolds 1983). Therefore, the following hypothesis is tested (H2): “Brands that reflect a consumer’s personality and social image are better predicted by values scores”. A third hypothesis, H3, is resulting from H1 and directly derived from H2: “Brands that reflect a consumer’s personality and social image are better predicted by the global importance of this consumer’s values”.
Finally, in order to estimate the contribution of both the value scores and the global importance of values to brand choice prediction the last hypothesis (H4) is: “Brand choice predictivity is increased by considering jointly the value scores and the global importance of values”.

These hypotheses have important implications for marketing. H1 raises the question of how values should be collected and measured. The ranking of a list of values does not permit to quantify the global importance of values across respondents. The marking of values on Likert scales allows quantifying independently the importance of each value. However, some consumers are prone to give systematically large marks thus reflecting a lack of value discrimination (Munson and McIntyre 1979; Rankin and Grube 1980; Alwin and Krosnick 1985, McCarty and Shrum 2000). Therefore, the global importance of a consumer’s values would be estimated better with the variance of the marks he gives to the values. The greater the variance, the more the consumer is aware of the values that matter in his life, indicating that these values are truly active. Hypothesis H2 raises the question of which products are more appropriate for a value-based strategy. Hypotheses H3 and H4 concern the possibility of using a new consumer segmentation variable: the global importance of values.

**Empirical tests**

H1 is tested analysing the variance of the global importance of values across brands (ANOVA). H2 is tested by considering two categories of products: a high involvement one (perfume) and a low involvement one (sparkling waters and soft drinks, SWSD). First, a principal component analysis (PCA) is made. Then, an ANOVA indicates whether the scores are significantly associated with the perfume brands and not with the SWSD brands. H3 is tested in the same way than H1, considering the variance of the global importance of values instead of the value scores. Nine perfume brands and eight SWSD brands were considered. H4 is tested with a discriminant analysis of the perfume brands, using the value scores and the global importance of the values. A sample of 204 non-student consumers was interviewed.

The levels of value importance differ significantly across the perfume brands. Therefore hypothesis H1 cannot be rejected. The same result is not observed with the SWSD, thus supporting hypothesis H3. The ANOVA of the value scores across brands shows a significant relationship in the case of perfumes and no significant relationship in the case of the SWSD. Consequently, hypothesis H2 cannot be rejected. Both the value scores and the global importance of values are discriminating the perfume brands. Consistently with the tests of H1 to H3, these variables do not discriminate the SWSD brands. When the two variables are considered, the corresponding functions are discriminating perfume brands significantly. In this case, perfume brands are better predicted and there are 50% more consumers rightly assigned to their perfume brand. Furthermore, the two functions translate similar amounts of variance. In function 1, value scores are slightly more influential than the global importance of values. The contrary is observed in function 2. Interestingly, in function 2, the global importance of values is negatively correlated with the value scores. As indicated above, this result may be due to the existence of the systematic bias often observed by researchers using Likert scales to collect information about personal values. Respondents who use systematically high marks to quantify all values will have high value scores but the global importance of their values will be reduced. Thus, in addition to improving the prediction of brand choices, the consideration of the global importance of values should help filtering a major bias of the value data collection.

These results should be replicated and the reason why the global importance of values is discriminating certain product brands requires further analysis. Finally, three main research perspectives are opened by the present paper: (1) why do certain brands attract consumers who are more “value minded” than others, (2) which type of consumers is more economically interesting and (3) how should the preferred target be enlarged?

**References**


Soap Opera Heroines and Women Consumers: Images of Vulnerability
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EXTENDED ABSTRACT
Daytime soap operas exemplify an industrial art constructed according to genre “conventions that circulate between industry, text, and subject” or audience (Neale 1980, 20). The purpose of our study is to investigate the influence of textual images of vulnerable women characters on the female consumers who constitute the majority of viewers. The audience has remained consistent over the past generation: mostly low-income and less educated women, teens, and elderly (Gerber, Gross, Morgan, and Signorile 1994). Among the most long-standing motivations are emotional release, personal gratification, companionship, and escape. However, the motivations may appear, we suggest that they reveal a vulnerability loop in which industry profits flow from a genre that specializes in conveying images of damaged women living luxurious lives to accepting viewers who develop parasocial attachments to unrealistic and inappropriate role models.

Prior research indicates that the audience is “vulnerable” in two related definitional senses (OEDO 2004, 3.b): 1: An audience inclined to perceive an “inner need” for emotional satisfaction able to be fulfilled by the fantasy relationships that soaps sustain—the definition itself taken from a late Victorian romance, Marcella (Mrs. Humphrey Ward 1894). 2: An audience exposed to the possibility of being ‘emotionally harmed’ (NOAD 2001, 1894) by persistent viewing of the soaps’ ritual of gender subordination.

Our study of vulnerable women characters and audiences begins with the textual genre, which necessitates mining literary theory to ascertain stimulus attributes briefly defined as commonalties shared by a distinctive literary family of texts (Frye 1957 [1973]). Next, to link stimulus variables to response characteristics, it presents social science research drawn from diverse disciplines such as anthropology (Rofel 1994), sociology (Radway 1985), communications research (Rubin and Perse 1987), and consumer research (Diener 1993; Lavin 1995). Qualitative data were obtained from 297 long-term viewers of four TV soap operas: Young and Restless (YR), General Hospital (GH), All My Children (AMC), and Days of Our Lives (DOL). Respondents were heavy TV viewers (O’Guinn and Shrum 1997) who had watched the selected soap program for over 20 years and tuned in an average of 4.74 days per week. This represents an astonishing total of over 5,000 episodes watched on average per respondent. They commented on the programs, characters, and five consumption categories based on prior research on TV series’ portrayals of consumption (Hirschman 1988; O’Guinn and Shrum 1997; Diener 1993): clothing, jewelry, home furnishings, beverages, and restaurants/bars.

Responses were categorized into five themes associated with vulnerability, here defined as an inner need for emotional satisfaction satisfied by parasocial attachments to the characters and the possibility of being emotionally harmed by viewing images of passively subordinate women characters. Three of the themes relate to the characters’ lifestyles: attention to details, acceptance as the norm, and aspiration; and two relate to viewer evaluations of their own lives in comparison: disappointment, and substitution of soap-watching for real relationships.

Attention to details reflects audience attachment to characters viewed as part of their lives, for viewers describe characters in as much detail as they would talk about real people. Perhaps the most directly harmful detail is the presence of alcohol across programs and settings in a world in which drinking is associated with successful characters, “looks attractive, and is a part of everyday life” (Diener 1993, 8). Soap life locales convey an impression of realism to TV viewers, who, like radio audiences before them, show “fierce acceptance of the reality of soaps” (La Guardia 1983, 6) as well as its normalcy (Churchill and Moschis 1979; Russell, Norman and Heckler 2004). Marriage is generally depicted as the means of achieving a life of luxury that viewers not only accept as realistic but also aspire to attain. As one viewer says about Alexia Davis (GH), “She doesn’t use the kitchen except to microwave popcorn and if it gets dirty or needs straightening she’ll call the maid service” (43, 35 yrs). However, aspirations are mostly expressed in terms of comparisons between a character’s moneyed life and a viewer’s more impoverished one. Sometimes, a viewer’s aspiration reflects a disjuncture between her perception of the way that a newly rich soap character lives and her unrealistic opinion of what her life should be like.

The structural aspects of soaps—serialization, suspenseful stopping points, and daily showings—infuse viewers’ post-show emotional responses to characters with whom they are emotionally involved. Viewers react to the end of an episode by expressing an intense sense of loss after it ends. Some viewers are so emotionally involved with soaps that their responses reflect a heightened level of need for the next episode characteristic of addiction to drugs, alcohol, food, and so forth (Belk, Ger, and Askegaard 1996). Emotional loss suggests that viewers feel parasocially attached to characters viewed as surrogate companions whose departure leaves a gap in one’s life. By becoming friends with soap characters, viewers participate in fictional relationships that substitute for real ones.

Soaps occupy viewers on a daily basis, allowing them to satisfy emotional needs by engaging in parasocial relationships with mostly unwholesome characters. The relationships are unhealthy not only because the characters are poor role models, but also because the viewers can become addicted to soaps and substitute surrogate friends for real ones. The themes provide insight into vulnerable characters as an influence on vulnerable audiences, for, in accordance with our definitions, viewers are exposed to emotional harm by persistent viewing of subordinate and victimized women with whom viewers enter into emotionally satisfying relationships.

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Women Feelings About Female Images in Advertising: A Qualitative Study
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ABSTRACT
The objectives of this investigation is to understand how women in Latin American context interpret female portrayals in advertising, to examine if women compare themselves with advertising portrayals and if they do, how they perceive that they affect them. The data was gathered using in depth interviews. Seventy five individuals selected by convenience method in San Paulo, Brazil. Results revealed three different perceptions about female portrayals in advertising. In addition, results revealed that the informants not only do compare themselves with advertising endorsers, but also believe that advertising imagery affect them in a negative way.

INTRODUCTION
This article is related to the field of consumer behavior that produces information to social policy interventions which are conceived to insure that the exchanges between marketers and consumers are fair, equitable, safe, and contribute to improved economic and social welfare (Roberton and Kassarjian 1991). In this manner, these four aspects triggered four streams of research that belong to the area called consumer social policy in consumer behavior. This investigation is related to the equityity research field which examines whether or not the marketing system has been exploiting or discriminating specific segments of the population.
Social policy is defined as policy for the society. It express where and to what purposes a society believe it may properly intervene in order to achieve a better economic and welfare state. An issue of social policy is present in consumer behavior studies and practices whenever the society as a whole believes that intervention on the exchanges between sellers and consumers is needed to improve the situation to the society (Roberton and Kassarjian 1991).

How do Latin American women interpret female portrayals in advertising? Are advertising images perceived by these women as stereotyped? Do they compare themselves with advertising endorsers? How these portrayals have been considered to their well being? Despite the fact that Brazilian society is concerned with female images, there is little known about how Latin American women interpret how advertising depicts their images. Indeed, an investigation on Brazilian literature very few articles related to advertising images were found.

Hence, the main objective of this investigation is to add to our understanding how women in a Latin American context interpret female portrayals in advertising. The secondary objectives aim at identifying if and how advertising affect female consumers. Therefore, they are: to examine if women compare themselves with advertising images and if they do how they perceive that they affect them.

The present study was undertaken in San Paulo city in Brazil and employed a qualitative method. Moreover, the sample was composed by seventy five individuals who were selected by convenience method. In addition, this research uses a two folded framework in order to understand how women interpret and construct reality about the feminine element in commercial images and how these ads affect them. In this way, it was selected the social representation theory and Festinger social comparison theory to shed light in our phenomenon.

This article is organized in six parts. The first part is the introduction. In the second it is presented a literature review on the theme. In the third section it is described the methodology adopted. Subsequently, the results and discuss are shown. Finally, the conclusion contains the implications of our results, the limitations of the study and suggestions for further research.

PREVIOUS RESEARCH AND FRAMEWORK THEORIES

Previous Research
Previous research related to advertising and gender has analyzed how women are represented in ads.

Majority of previous research related to advertising and gender have investigated gender representations in advertising. Not how women interpret these representations. However, these studies were undertaken since the early seventies. According to Kang (1997), previous investigations have provided consistent evidence that advertising messages about women were often stereotypical such as: women are irrational, weak, not intelligent, submissive and subservient. Indeed, Courtney and Lockeretz (1971) found that four stereotypes were predominant: 1) a woman’s place is in the home; 2) women should not take important decisions or do important things; 3) women are dependent and need the protection of men; 4) men see women as a sexual object and not as a human being. Venkatesan and Losco (1975) results showed women as: 1) a sexual object, 2) physically beautiful and 3) dependent on men. In addition, Belkaoui and Belkaoui (1976) verified that women were represented primary as housewives. In the eighties, similar research also showed that the stereotyped portrayals of women still persisted in the media (Blackwood 1983; Bretl and Cantor 1988; Jolliffe 1989; Luebke 1989).

In a study which aimed at analyzing gender images according to categories proposed by previous study (Goffman 1979), Kang (1997) found that female images, in 1991, were still portrayed in a stereotyped way. In his investigation he identified four significant pictures:

- “Feminine touch”–Women portrayed using the hands to show or caress an object.
- “Ritualization of subordination”–woman in a submissive body position or behavior
- “Licensed withdraw”–woman is psychologically removed from the picture which results in leaving the women dependent on the man’s protection
- “Body display”–high degree of nudity or with body revealing clothes

Recently, a substantial portion of advertising literature has examined the negative social effects (commonly denominated as “unintended consequences of advertising”) of idealized portrayals in media (Martin and Kennedy 1993; Pollay 1986; Stice and Shaw 1994) found a positive association between idealized imagery in advertisements, self-esteem and self-image.

It was selected three Brazilian studies to shed light to the results of this study. The first investigation presented is Sabat’s...
(2001) study about gender and sexuality in advertising. The second one is Rocha (1984) investigation about idealized images in advertisements and the third is Freyre’s (2003) work about the XVIII and XIX century Brazilian patriarchal society where he describes women’s roles during that period. The first two investigations directly address advertising. The third contribution is a classic masterpiece in Sociology, History and Anthropology about Brazilian society in the XVIII and XIX centuries. Freyre’s (2003) work was chosen in the literature review because his portrayals of Brazilian women seem to be the foundation to understand gender relations and identities in modern Brazilian society.

Analyzing gender representations and sexuality in advertising, Sabat (2001) suggested advertisements should work as a cultural pedagogy that teaches members of a given society how to produce, in this way, identities and representations of reality. Sabat (2001) argues that advertising doesn’t create meanings but borrows them from social relations, while, at the same time, these advertisements reaffirm and consolidate these very same representations, as for instance, “women always at home or exhibiting their bodies to men pleasure” (Sabat 2001, 14).

Rocha (1984) argues that advertising dictates identity processes, life styles and reality to consumers. In his work, Rocha (1984) examined how commercials idealize reality giving a magic solution to consumer problems. He suggests that ads intervene, transform and reorganize every day life in a magic manner. The author compares commercial with myths arguing that one characteristic of a myth is the similarity to dreams and fairy tales where everything is possible.

According to Freyre (2003) women belonging to the patriarchal system had their social participations circumscribed to the domestic realm. Their roles were limited to be mother and to manage the house. Indeed, it was expected from them to supervise the slaves who worked in the house and to look after the children. In fact, this period was characterized by the absence of feminine roles in politics, literature, education, science and public policies.

Indeed, woman was totally uneducated. According to Freyre (2003), Brazilian society had imposed to women a “specialization” in the “fragile sex” or in the “beauty sex”. This specialization could even deform her. Indeed, the body was disfigured by the “corset” which was used to make the waist fine. The feet were forced to become small in order to be different from the “Negro’s” feet, which were scrubbed and scratched.

In addition, according to Topinard (apud Freyre 2003), the patriarchal regime influenced the “specialization” of feminine physical body in order to differentiate the sexes. This specialization of the body was also related to female roles in the society. It was associated to the mother function or to a romantic idealized portrayal. Thus, women from this period should be first, in the adolescence, pale, slim and fragile in order to inspire young men dreams. However, after the marriage she would become fat, deformed into a “shapeless mass”. In this period of her life, she was the housekeeper and the procreator of the patriarchal family.

Freyre (2003) also emphasized how female body in Brazilian patriarchal regime was idealized by men. In this idealized portrayal woman had gracios feet, fine waist, delicate hands, and big bosoms. According to the author, it was a “narcissistic cult” of the patriarchal man who dominated the weak sex and “pretended to adore her in order to feel stronger” (Freire 2003, 213). To sum up, Freyre (2003) suggested that in the patriarchal society women were “fragile”, “beauty” and the “domestic”.

THE SOCIAL REPRESENTATION THEORY AND THE SOCIAL COMPARISON THEORY

Social Representation Theory

Social representations can be defined as the results of elaboration processes about the reality by a given society. The “social representations” construct refers to how individuals fabricate their perceptions about themselves, about the world, about their relationships with the world and with each others. Thus, this concept deals with how individuals conceive “objects” of the reality, including themselves. The production of these representations is elaborated in any public dimension of the society, such as, in the streets, in advertising, in social institutions or social movements (Boas, Neto and Cramer 2001; Guaresi and Jovchelovitch 1995).

In this context, Jovchelovitch (1995) notes that, as social representations are psychosocial phenomena, they are necessary produced in public arenas, in the realm where he or she relates to the “other”. In addition, social representations are created in the domain where dwellers of a specific community acquire identities and forge their cultural symbols. Individuals mentioned in the social constructions theory are bound not only to a specific society and culture, but also to a specific period of history (Boas et al 2001; Spink 1995). Furthermore, according to Minayo (1995) and Farr (1995), communication constitutes the realm where social representations can be apprehended because language is its most important source.

The social constructions theory has been applied to feminine studies (Boas et al 2001; Sabat 2001) in order to better understand the gender identity approach which also encompasses a socially constructed idea. In this way, it is with this aim that we have borrowed this theoretical framework from literature.

The gender concept has emerged in the sixties in order to embrace ideas related to the masculine and the feminine roles in a given society (Louro 1997). While the concept “sex” refers to the biological aspect of the human being, this new construct represents a social category which is associated to subjective meanings of male and female identities created by the society where they are embedded. Thus, the gender concept has a historical and a social dimension, because it varies according to the culture and the period of time when it belongs (Scott 1995; Medrado 1996). In this way, gender identity can be grasped from subjective narratives and from behaviors.

According to Sabat (2001) gender identities can be captured from advertising images. Indeed, representations embedded in advertising portrayals, not only do they reflect gender differences in the society, but also corroborate them. According to this author, a typical representation about femininity is the maternity image or of a perfect body. Indeed, as other social institutions, advertising tends to reproduce specific types of behaviors and personal values which conform with the culture of the society (Sabat 2001).

Social Comparison Theory

Based on the Social Comparison theory (Festinger 1954) many researchers (Gulas and Mckeage 2000; Lennon and Lillethun 1999; Martin and Gentry 1997; Richins 1991; Thornton and Maurice 1999) have proposed that idealized images in advertising can affect viewers because they compare themselves with people portrayed in ads.

Social comparison theory was originally developed by Festinger in 1954 in order to explain how and why individuals evaluate themselves in comparison with others. He suggested that individuals tend to objectively compare themselves. However, provided that the objective criterion is not available, they will appraise
themselves in comparison with others. One aspect of his theory was the similarity hypothesis that proposed that people compare themselves with similar ones. Besides, other elements in his theory were as follows: 1) the comparison process was related to the assessment of abilities and opinions, 2) comparison was made with people pertaining from the same group of the individual who has engaged in the comparison process, and 3) the individual was aiming at appraising himself in order to have a standard of evaluation, hence, it was a sought comparison. In spite of these specific conditions, further researchers have expanded the comprehensiveness of his theory. Indeed, new contributions have found that social comparison also occurs when people evaluate their personal traits or circumstances (Richins 1991; Wood 1989). In addition, other researchers have suggested that people also compare themselves with others who belong to other group, for instance, models in advertisements. (Richins 1991). Furthermore, recent investigations have proposed that unsought comparison may occur (Goethals 1986). Actually, researchers have suggested that advertising portraying “better of” people (wealthy, happy and beautiful) tend to trigger social comparison without conscious effort. In this way, it was chosen Festinger (1954) social comparison theory to understand why women interviewed in the present study engage in an appraisal process taking advertising endorsers as a standard.

**METHOD**

The present study was undertaken employing a qualitative method. The sample of the present study was composed of seventy five individuals who were selected by convenience method in São Paulo city, Brazil. The data was gathered using in depth interviews. The variables researched were: 1) women interpretations of female portrayals in ads; 2) the effects of these interpretations in how they feel about themselves and 3) the feelings of identification with these interpretations. It was asked to the participants, for example: “how do you feel about female portrayals in advertising?” It is important to stress that we haven’t shown any advertising to interviewees. Conversely, we have asked them to tell us about their perceptions in ads in general. The interviews lasted on average one hour and were conducted by a “senior” researcher and one assistant, trained to accomplish the task. The interviews were recorded and transcribed. The names of the participants were not utilized in order to preserve their anonymity.

The social class scale applied to classify the participants was from Almeida and Wickerhouser proposed in 1991 (Apud Mattar 1992), which is commonly used in Brazil to operationalize the social class construct. By this criterion, five social classes levels are produced, that is, A, B, C, D and E, which are the five levels that official statistics utilize to classify Brazilian population. In this manner, it was found that 17.3% of the participants belonged to social class A 38.7% to B, 22.7% to C and 21.3% to class D.

The level of education of the respondents was the following: 53.3% have no college and 46.7% have finished their college studies. On the other hand, their age brackets were composed in the following manner: 17-20 (6.7%), 20-29 (25.3%), 30-39 (26.2%), 40-49 (21.3%), 50-59 (14.7%), 60-69 (4%), 70 and over (1.3%). Moreover, half of the sample reported being married and the other half (43%) to be single. Only 6% were separated or divorced.

The interviews were read by all the researchers who were members of the team. The objective of this analysis was to identify important themes in the data. After the preliminary readings, separately, the researchers summarized the replies to each question in one or two words or phrases. In the second stage the replies were analyzed again with the intention of verifying whether these words or phrases produced referred to a single thought or expressed separate ideas. When a single response contained more than one idea, the phrases were separated, computing different thoughts. When the phrases produced were inter-related, being thus part of a single concept, another concept was produced in order to express their thought. In a third step researchers discussed the individual work of each other attempting to reach a consensus on the concepts produced.

**RESULTS**

Analysis of the data revealed the existence of three main themes throughout the interviews. Such themes are related to three different perceptions about how advertising depicts women portrayals. They were images that depreciated women, images that idealized them and images that pictured women in a modern way. Table 1 summarizes the participants feelings about female representations in advertising.

The label “depreciated images” was adopted to describe the interviewees’ perception of four portrayals, that is: 1) “women as not intelligent or irrational” 2) “window-display”; 3) “body display”; and 4) “housewives”. It was decided to use the construct “depreciated images”, because the idea of depreciation was objectively present in the informant’s speeches when describing these pictures. The labels which were applied were constructed in order to be as near as possible to what informants narrated. However, when it was possible, it was used a label that already existed in literature. In this way, the label “women as not intelligent or irrational” was cited by Kang (1997). In addition, “body display” was applied by Goffman (1979) to describe images related to high degree of nudity or body revealing clothes. The label “housewives” was used by Belkaoui and Belkaoui (1976). “Window-display” emerged from the interviewees descriptions. These labels are explained in the item “depreciated images”.

Another perception reported by the interviewees is associated to the idea that images in advertising are idealized, and in this way, they are very far from their reality. So it was called the “idealized images”. The informants distinguished two aspects of idealization in advertising: 1) “woman as physically perfect”, which is, always young, beautiful, skinny and always tidy; 2) “absence of features of Brazilian women”, which is, the absence of mixed races as black and brown skinned women. In this picture women are blond, tall and have white skin. These labels emerged from the informant speeches. Each of these concepts is discussed in the item “idealized images”.

A third group of perception was that advertising pictures women in a modern way. This idea emerged in two different ways, that is, woman as 1) independent from man; and as 2) Super woman-being able to be mother, professional, and wife concomitantly. It was called “the modern woman”. The reason to use these labels was based again in the speeches of the informants and in previous research (Jaffe and Berger 1994). These labels are discussed in the section “modern women images”.

**Depreciated images:**

The perception of women as “not intelligent or irrational” refers to the image of “women whose intelligence is not exploited”, to “the woman that is no good at thinking”, or whose body is idealized in opposition of her intelligence. This idea is illustrated in the following passage from an interview:

- “Women are always portrayed as beautiful, but brainless. Their bodies are displayed but not their ideas. They don’t think, don’t ask, they just appear and sell the products…”

The second concept related to depreciation is the image of “window-display” which is employed to sell the product. The
informants understand that the image of women is exploited as if it were a “hanger”, a “package” or a “shelf” where the product is exhibited to be sold. In this way, women are stripped of humanity becoming unanimated beings, as the central focus is the sale. These images were labeled as “window-display” because this idea was strongly stressed by the informants. This feeling is expressed in the following quotation:

- “I think woman is being devaluated, because she is portrayed as a gift wrapped. She is portrayed as merchandise, I mean, like a hanger. The item is hung on it and she must sell it together with her beauty. Many examples of what I am saying are presented in beer advertisements. Woman is nothing more than a product that helps to increase sales.”

The concept of “body display” is related to nudity, to the exposition of the body. The feminine figure is once again employed to sell the product, but in this metaphor body display is the central point. It represents the main tool to draw the attention of the consumer. This idea can be depicted from the following quotations:

- “I think that the product should be shown more than the woman. But companies normally do the opposite. I believe there is an excessive exposition of woman body and there is no need to be shown so indiscreetly.”
- “Barely are they depicted with clothes, because it helps to sell... I don’t identify with these images because they are vulgar. They are shown almost naked.”

The portrayal of housewives refers to a stereotype of women roles in society. This feeling is expressed in the following passage:

- “Women are portrayed as being beautiful, sexy or housewives. They are always shown selling electric domestic appliances... However, today women have new roles in our society. They are not full time housewives anymore, but this is not shown in advertising. It is a totally distorted image...”

Idealized images:
The concept of the physically perfect woman is related to the imposition of a particular standard of beauty, namely tall, slim, blond, and young. Interviewees reported that they don’t identify with this kind of ideal as they know another reality and they are conscious that women shown in the media are not those found in their every day lives. In addition, the beauty idea of being slim was highly criticized, not only because it doesn’t correspond to the reality of ordinary women, but also because it is seen as a danger to both adults and adolescent psychological health.

It is interesting to note that some of the interviewees clearly deny these images imposed by the media, identifying them as “not normal standards”, and they, the interviewees, are the ones who fit to normal patterns. The informants also expressed their disbelief to the always perfect condition in which women are shown, such as, with the hair always perfect and well dressed.

It is also important to emphasize that despite the fact that the majority of interviewees did not identify themselves with the idealized images, these were the portrayals that provoked most of the complaints of negative sentiments about themselves. It can be verified from the data that: 1) they do compare to these images and 2) the idealized images have a negative impact to their self-esteem and their own images. Some affirmed that they feel depressed and suffer from anxiety and feeling of inferiority. Such sentiments are accompanied by a negative devaluation of their body and a desire to change it. The physically perfect woman image constructed by informants can be grasped from the following quotations:

- “She always appears with perfect hair, with a perfect figure and is very slim. This is extremely alienating; neither are we beautiful all the time, nor well dressed all the time”.
- “A typical woman in advertisements has everything in the right place. They are beautiful and have the right measurements. I feel fat when I compare myself physically to women in advertisements. I feel really depressed! An ordinary woman feels like garbage.”
- “Women shown in the advertisements have a perfect figure, no cellulite, no belly...They are slim, tall, beautiful, young, and blond.”
- “It is obvious that people would like to have a tall, slim figure. But the advertisements show women as practically skin and bones. These pictures are dangerous, especially for young people who try to become similar to these images.”

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<tr>
<th>DEPRECIATED IMAGES</th>
<th>IDEALIZED IMAGES</th>
<th>MODERN WOMEN IMAGES</th>
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<tbody>
<tr>
<td>Not intelligent / irrational</td>
<td>Physically perfect : always young, beautiful, skinny and always tidy</td>
<td>Independent (from man)</td>
</tr>
<tr>
<td>Window-display: as if she were a “hanger”, a “package” or a “shelf” where the product is exhibited to be sold</td>
<td>Absence of features of Brazilian women absence of mixed races as black and brown skinned women</td>
<td>Super woman Being able to be mother, professional, and wife at the same time</td>
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<td>Body display: high degree of nudity or with body revealing clothes</td>
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<td>Housewives</td>
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absence of features of the standards imposed by the media. Consider the views expressed in the following quotations:

- “I don’t think I am outside the standard, I am not that naïve. There are many women who are like me, I mean, not so slim like the models in advertising. They are too much thin. They are not normal. I am the one who is normal! … I have not seen any advertising which takes my age group for granted (55 years old) or my professional segment. They don’t seem to have anything to do with me.”

This idealization is also understood by the interviewees as the absence of features of Brazilian women. For the interviewees the media tends to ignore black and mixed races. The image of the Caucasian (white and blond) is transmitted as the ideal of beauty. Interviewees have argued that other types of beauty, especially from different regions of the country should be portrayed. In this way, this perception is also dominated by disbelief and criticism of the standards imposed by the media. Consider the views expressed in the following quotations:

- “I have a fair skin, thus I don’t feel very different to what they show. I don’t feel discriminated against, but if I were black I would feel so. I think they should portray other features of Brazilian women. They are usually shown as blond. Black and white mixed race is never depicted. There is no explanation to this in a melting pot country like Brazil. 
- “The typical women depicted in advertisements are white, blond and young. Black women or mixed race are hardly ever shown”.

Modern Women Images

Many interviewees understand that advertising portrayed women in a positive way. These images were “independence” and “superwoman”. The concept of independence relates to the liberation from male domination in various aspects of life, such as financially, emotionally and psychologically speaking. It represents the ability to resolve their problems and live on their own. Consider the views expressed in the following quotations:

- “advertising are showing images of the modern woman, such as, woman as a bread winner.”
- “Women are resolving practically everything. They are taking the place of men. They can do whatever they want without worrying about what others may say.” And ads are depicting this new image. 
- “Some advertisements portray woman as independent. A woman who really knows what she wants. …”.

Similarly the concept of “superwoman” relates to the ability to perform various roles at the same time, in other words to be mother, housewife, a successful professional and an attractive woman at the same time. The following quotations illustrate this concept:

- “It is a super woman. She manages to do everything. She looks after the house, the children, the husband and is a professional”.
- “Today woman plays the role of mother, professional, wife, housewife, without stress or problems and advertising shows these new roles.”
- “A housewife, a mother, an example of beauty and an executive: These are the ways as advertisements are depicting us because we can really perform all these roles in the same time”.

DISCUSSION

First of all, part of the members of the sample affirmed that they do not identify with these portrayals because they depreciate female roles or because they are unreal. Moreover, our informants showed to be not passive viewers who accept television images without questioning them. On the contrary, they criticized and compared these images with what they used to see in their every day lives. One example of this fact is the criticism that very few images of black or mixed races are seen in advertisements.

In addition, previous research has found that advertising has depicted women with “clichés” images and does not reflect their real roles in society. These studies described female’s roles as: full time “housewives”, “not intelligent”, “irrational”, “body display” and “physically beautiful”. The present study did not investigate advertisements, but females’ perceptions of women in advertising. However, our results have revealed that our informants also feel that female images in advertising are portrayed in a stereotyped way. Hence, this investigation indicates that the same patterns of images which have been found since the mid seventies in previous research permeate our informant representations of female imagery in Brazilian advertising.

It is interesting to call the attention to how the interpretations of idealized images made by our informants are consistent with Rocha (1984) results. Like this author, our interviewees also stressed the fairy tale aspect of ads and how they narrate a perfect and magic life where everything is possible. On the other hand, previous research has found a relationship between idealized portrayals in advertising, self-esteem and self-image. Indeed, many of our respondents reported not feeling comfortable with the idealized portrayals, as these images impact their self-esteem. This fact emerged from the criticisms that these images don’t correspond to the real world and that they affect the psychological health of women. Low self esteem, depression and anxiety were the feelings that the respondents described as a result from comparison processes to these idealized images.

Indeed, in this way, it is clear that some of the informants do compare themselves with advertising endorsers and that the result of this appraisal process is negative, because they feel devaluated. Yet, it is important to note that these results are consistent with new contributions to Festinger (1954) theory which have found that social comparison also occurs when individuals assess their personal traits and that this phenomenon is also triggered by unsought comparison. In this investigation we could identify that the social comparison process was triggered without conscious effort, was related to personal traits and was associated with individuals who belonged to another group, the advertising endorsers.

In Freyre (2003) descriptions about women in the patriarchal society, some themes are outstanding, such as: the association of women to the domestic dimension of life, the role of mother and housekeeper; the absence of the feminine role in public domains of the society; women’s lack of education; the specialization and the idealization of the body. Indeed, these themes, in some way, have also emerged from the data. The housekeeper and mother’s roles are related to the image of “housewife”. In addition, the portrayal of the feminine as “not intelligent” is, in some way, linked to the idea of not educated. In the patriarchal regime women were kept illiterate in order to be dominated and not to participate in other arenas. According to informant’s speeches, although women are intelligent, their abilities are not explored in advertising images. Hence, messages transmitted by advertising about women are that they are not able to perform roles that demand their reasoning capabilities. In this way, in both periods, the lack of reasoning competence made her body to be the center of the attention.
On the other hand, the idealization of the body described by Freyre (2003) is associated to the “physically perfect” image which emerged from our data. In this portrayal the central points are beauty and perfectionism. Another element that is present is youth. In the interviewees’ perceptions of advertising imagery, women are always young. Yet, in the patriarchal regime the idealized women were the young virgins. In addition, women from the XVIII and XIX century deformed her body in order to be beautiful in men’s eyes. So far, some of our informants reported to be worried with their bodies and would like to change them in order to become as beautiful as advertising endorsers. Hence, both women accept to change their bodies searching for the perfect one.

Moreover, Freyre’s (2003) descriptions denounce how prejudice was the patriarchal society against women. She was considered the “fragile sex” and the “fleshy puppet”. Also, she was confined to artificial situations to provide pleasure to male. Besides, gender relations were dominated by men and they were molded in order to satisfy their narcissistic satisfaction. In this way, the data reveals portrayals which are impregnated by prejudice against women. This sentiment becomes apparent through the “depreciated images”. On the other hand, the portrayal of “physically perfect” insinuates a hidden trace of male domination. It denotes a necessity to be always beautiful and tidy in order to be admired by men. Hence, to be physically perfect to men’s eyes is the ultimate purpose. It is also important to shed light to the portrayal of idealization related to “absence of features of Brazilian women”. According to Freyre (2003), Brazilian society overwhelmed race prejudice. However, this portrayal can be a hint that, as sex, race prejudice still persists in this society.

While literature defines social representations as the results of elaboration processes about the reality by members of a given society, it can interpret the results in the following way: the eight portrayals (not intelligent, window-display, body-display, housewives, physically perfect, absence of features of Brazilian women, independent and superwoman) are social representations produced by our informants who are dwellers of Brazilian society. These social representations were fabricated not only by the informants but, conversely, they were forged in partnership with other members of the same society, because social representations are shared with other individuals and are produced in public arenas.

In addition, it can be understood that these social representations constitute a realm where their gender identities are constructed. Moreover, according to Sabat (2001), representations embedded in advertising, not only do they reflect gender differences in the society, but also corroborate them. In this way, the eight portrayals concocted by the informants reflect not only gender relations and identities, but also values, and behaviors which conform to Brazilian society. Besides, the eight images teach women what is femininity and consolidate women roles in Brazilian society.

However, it is extremely important to note that both gender identity conflict and gender relation conflict are embedded in the eight portrayals constructed by the informants. Through the interviewees’ speeches emerged representations that they mentioned as the way how advertising conceived femininity. However, they deny these images as their real portrayals and blame advertising for stereotyping their roles or idealizing them. However, images narrated by the informants clearly denounce a system where male dominant meanings still persist. Indeed, the depreciated and the idealized images encode allegorical meanings about how male conceive females in Brazil. Nonetheless, these two images are not accepted by women of this study. Hence, this two opposite perceptions produce gender relation conflicts. On the other hand, we can interpret that the third picture, the modern women image, represents how women are striving to forge their new identities in Brazilian society. However, these women know that society still wants them to incorporate the roles mentioned in the depreciated and idealized images, thus, this two opposite approaches trigger an identity conflict. Hence, this gender conflict issue constitutes the new hypotheses that we can launch to explain the phenomenon we have investigated. In other words, we can say that these eight portrayals were constructed because they express a main issue that surrounds social relations, which are, gender identity and gender relation conflicts. As this phenomenon exists in their world, it is also present in their social representations about reality.

**CONCLUSION**

The main objective of this research was to investigate how women interpret female portrayals in advertising. Results revealed three main themes, which are related to three different perceptions. They are images that devalue or idealize women and portray them in a modern way. In addition, the study has established two secondary objectives, which were: to examine if women compare themselves with advertising images and if they do how they perceive that they affect them. Results showed that not only do the informants compare themselves with advertising endorsers, but also believe that advertising imagery affect them in a negative way, as their psychological health is affected by making them feel depressed and anxious.

According to Sabat (2001) when advertising employs a specific image this means that this speech already exists in the society. Hence, we can interpret that these three themes which are impregnated in the portrayals constructed by our informants reflect society gender relations and identities. Moreover, as one of them is the opposite in relation to the two others, we can interpret that these images denounce a gender conflict in the society. Furthermore, as the interviewees deny two of the three images they perceive in advertising, this fact also denotes a gender identity conflict. Therefore, our study, which aimed at understanding social representations by our informants’ speeches, found that Brazilian society is permeated by conflicts of gender relations and identities and that these conflicts are shared not only by our interviewees but also with other members of the society.

Some implications to social police makers can be drawn from this investigation. This study revealed that participants feel negatively affected by the depreciated and idealized portrayals shown in ads. Moreover, it is clear that the informants did compare themselves with advertising endorsers. In this manner, social police makers should understand why this is happening. Moreover, they need to investigate which is the cause of these interpretations. In addition, social policy makers could investigate female portrayals in Brazilian advertisements to realize if they are discriminating women, in other words they should check if the interpretations of these participants reflect representations of women in Brazilian advertising.

As to any research, this study has limitations that also suggest possibilities for future investigative endeavor. For instance, future research could investigate relations between portrayal of women in the media and variables such as self-esteem, self-image and self-satisfaction. In addition, new research about female images can examine advertisements using content analysis and comparing them with women’s perceptions.

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Celebrity Worship Within Affinity Groups: Adopting a Multi-faceted Perspective
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EXTENDED ABSTRACT

Substantial evidence suggests that celebrity worship pervades contemporary societies (Hills 2002). Recent research suggests that at least one in three people engage in celebrity worship (Malbry, Houran and McCutcheon 2003) and seventy-five percent of young adults report a strong attraction to a celebrity (typically musicians or movie stars) at some point in their lives (Boon and Lomore 2001). A glance at our most popular magazines adds weight to these observations. Images and stories of celebrities appear on most pages. Their front-covers lure readers with ‘fascinating’ questions such as: “Is Britney’s really marriage over? Are Tom and Nicole back together? Will Calista win her fight with anorexia?”

Despite this situation celebrity worship attracts limited attention in the marketing literature (for exceptions see O’Guinn 2000 and Pimentel and Reynolds’ 2004 excellent research). For a few reasons, the neglect is surprising. First, celebrity worship is arguably a distinctive type of consumer-brand relationship (Fournier 1998) that underpins many long-term buyer-seller relationships. Marketing academics and practitioners stand to benefit from better understanding how these relationships impact market activities (Christopher 2002) such as attending films, watching television shows, and purchasing music CDs and fan memorabilia. Second, researchers are increasingly acknowledging the extent to which consumables (e.g., brands, celebrities) provide galvanizing points for the development of brand communities (Muniz and O’Guinn 2001). Use of the Internet allows such groups to transcend national and geographical boundaries. Consumers report that interacting within these types of global networks adds considerable richness to their lives. Finally, the consumption of others’ performances is highly pervasive in everyday life yet remains a poorly understood activity (Deighton 1992).

We address this situation by examining celebrity worship within an affinity group (Macchiette and Roy 1991), adopting a multi-faceted perspective derived from an extensive review of the psychology, sociology and consumer behaviour literature. Our research site is the Sir Cliff Richard Fan Club situated in Sydney, Australia. Members of this club, numbering approximately eighteen, are characteristically aged fifty years plus. They developed an obsession with Cliff Richard during their teenage years which continues to this day. Cliff Richard is a relatively aged celebrity (64 years old); his career spans forty-five years. He is the largest selling artist in the United Kingdom, outselling the Beatles and Elvis. Our research site allows for significant theory validation and extension as well as for modification and extension through rebuttal of extant ideas and the emergence of new themes.

We suggest that celebrity worship within an affinity group be viewed within a framework comprising the following interacting components: 1) pre-adult consumption socialization; 2) self concept/personality consistency; 3) mild psychopathology; 4) religiosity; 5) affiliation need fulfillment; and 6) high celebrity narcissism. Our study is exploratory rather than confirmatory; hence we do not identify which factors carry greater weight in this context. Contrary to literature our informants appear psychologically well-balanced. They readily distinguished fantasy from reality. They understand that Cliff enacts dramatistic (Deighton 1992) (rather than naturalistic) performances. Our participant observation over many months suggests they have high emotional intelligence and the capacity for mature, honest and respectful relationships across many social spheres outside of the fan club. Strong contributing mechanisms to their fandom include intense and highly salient emotional experiences surrounding their first introduction to Cliff Richard in their teenage years; the value-congruency that drives admiration for the celebrity; together with the social support and strong friendship bonds that have developed as a by-product and now act to reinforce fan behaviours. Cliff’s apparent narcissism cements the celebrity-fan relationship.

Additional findings emerged from data analysis. Liking of the pursuit in which the celebrity excels (in this case Christian style pop’ music) likely fuels celebrity worship. Informants also spoke of the ability of Cliff’s music to lift their spirits: “Two years back I was having panic attacks and I was put into a health farm… My husband brought along some Cliff music and it really was a great comfort to me. It helped get me going again.” Informants are clearly cognizant of the emotional benefits which have addictive qualities: “You are always anxious when a new Cliff record is about to come out. I can’t wait to get it and hear it.” Another factor rarely mentioned in the literature, is the strong sexual attraction that many informants feel for celebrities, such as Cliff. For example female informants often stated: “He’s really ‘yummy’”, “He wiggles his bum really well. He’s very appealing in every way”, and “We just love to watch him. He could sit on stage eating his dinner and we’d pay to watch him.” This finding contrasts with O’Guinn (2000) who suggested that celebrity fandom was not driven by strong sexual attraction. Similarly we are less enthusiastic than O’Guinn (2001) with respect to the religious metaphor. While our informants hold great admiration for Cliff Richard, their behaviour does not appear religious in nature. They see Cliff as “human” and are not uncritical of him. Many informants regard their Cliff Richard worship as just one factor of many others that make their lives satisfying: “he is not everything” to them.

REFERENCES

EXTENDED ABSTRACT

Research suggests that the success of a brand extension depends on the consumer’s perception of the consistency between the brand’s pre-existing image and the new product. More specifically, consumers apparently prefer and are more likely to recall extensions that are moderately congruent with the consumer’s existing schema for the brand than for those that are congruent or extremely congruent (Meyers-Levy, Louie and Curren, 1994; Meyers-Levy and Tybout, 1989), particularly when they have limited knowledge about the product category (Peracchio and Tybout, 1996). The strength of this relationship, however, appears to depend on various personality traits such as need for cognition and dogmatism (Meyers-Levy and Tybout, 1989).

Personality variables are helpful for understanding differences in consumer response within a culture. However, differences in consumer response are likely to vary not only within cultures, but also across cultures. Cowley (2002) found, for example, that retrieval accuracy varies across cultures based on the manner in which brand information is presented and processing. This finding may be crucial for understanding a brand’s international success as accurate retrieval is required for a brand to be included in a consumer’s consideration set (Nedungadi 1990) and thus increases purchase likelihood.

In order to predict consumer response to brand extensions in the many markets where those extensions may be introduced, the effects of schema (in)congruity must be tested cross-culturally (Sharon and Amir, 1988). In this paper, we examine differences in consumer response to brand extensions across countries based on the level of uncertainty avoidance (UA) within the culture. More specifically, we argue that the consumers from low UA countries will be more sensitive to schema incongruity than consumers from low UA countries and that their responses to brand extensions will vary accordingly. We offer empirical support for such differences in two studies that compare consumer response to brand extensions in the United States and Jamaica.

The Relationship Between Schema and Culture

Schema may be universally, culturally, or idiosyncratically-based (Casson, 1983). Universal schemata are uniform within the human species “because of innate faculties of the mind and/or inherent divisions in the natural world” (Casson, 1983, p. 440). In contrast, cultural schemata are shared only by members of a particular society (Casson, 1983; Casson, 1981) and idiosyncratic schemata are “unique to particular individuals as the result of their personal histories and life experiences (Casson, 1983, p. 440).”

It is generally assumed that product schemata are idiosyncratic in nature in that the structure and content of a consumer’s schema will be affected by his own individual experience(s) with the product and exposure to product information via packaging, advertising, etc. Roth (1995) suggests, however, that culture may also play a role. Drawing on three of the four cultural dimensions identified by Hofstede (1983), Roth (1995) found empirical support for the notion that culture influences consumer perceptions and evaluations of brands.

Of the various cultural dimensions examined by Roth (1995), uncertainty avoidance is of particular interest with respect to schema (in)congruity and consumer response to brand extensions. Hofstede (1983) defines uncertainty avoidance as the manner in which a society responds to ambiguity. Cultures displaying high uncertainty avoidance exhibit a low tolerance for ambiguity, will resist change, and are risk adverse. In contrast, individuals from low uncertainty avoidance cultures prefer new experiences and variety-seeking over predictability and stability. Given this cultural distinction, individuals from low uncertainty avoidance cultures should be more likely to try new products than individuals in high uncertainty avoidance cultures. Indeed, UA has been shown to affect national rates of innovation (Shane, 1993) as well as consumer acceptance of new products and product innovations (Yeniyurt and Townsend 2003).

With respect to schema theory, individuals from countries with low UA should have a higher threshold with regard to schema incongruity than should individuals from high UA countries. That is, those from low UA countries should perceive brand extensions as more congruent with their schema than would individuals from high UA countries.

Study 1

One hundred and eighty nine Jamaican and American M.B.A. students participated in a survey designed to test the basic hypothesis that UA affects consumer perceptions of brand extensions. It was expected that the Americans and Jamaicans would differ in their perceptions of (in)congruity resulting in differences in recall of the brand extensions. Although both Jamaica and the United States are considered relatively low in UA, the United States exhibits a higher level of UA than does Jamaica (Hofstede 1983).

T-tests revealed significant differences in perceived (in)congruity between Jamaicans and Americans. Generally speaking, the Jamaicans indicated a higher level of congruity than did the Americans. Additionally, the Americans demonstrated significantly higher recall of the brand extensions than did the Jamaicans.

Study 2

Study 2 used a cognitive response questionnaire to investigate the cognitive processes behind recall among Americans and Jamaicans. Given the lower level of UA in Jamaica versus the United States, it was expected Jamaicans would not elaborate as extensively as Americans when presented with an unfamiliar brand extension. As elaboration leads to increased encoding and thus greater likelihood of retrieval, an examination of elaborations would help to explain the recall results in Study 1.

A word count revealed that the Americans engaged in greater cognitive elaboration as indicated by word count. This suggests that the Americans tended to elaborate more in an attempt to resolve incongruity. This greater extent of elaboration is consistent with the higher recall rates observed in Study 1. The Jamaicans also appeared to rely almost exclusively on relational processing in attempting to resolve brand extension incongruity, while Americans used a combination of relational and item-specific processing. This sheds further light on the results observed in Study 1.

Discussion

The two studies offer evidence that culture plays a role in consumer response to brand extensions. Moreover, the results have implications for companies seeking to standardize their product...
mix across countries. Specifically, companies may not be able to successfully standardize their product mix across cultures that display varying levels of uncertainty avoidance.

References
ABSTRACT

This article examines the influence that pleasant ambient scents have on the consumer. An experiment in a post office provides evidence that all pleasant scents do not necessarily influence consumers positively, probably because of their actual significance. Some have no effect, some have negative ones. Moreover, it shows that mediating variables (cognitive and affective responses) and moderating variables (sex, aim of the visit and familiarity with the point of sale) have to be taken into account.

INTRODUCTION

Even if fitting out a point of sale is not a new theme, the idea that a more systematic and rigorous exploitation of the sensory palette in sales areas could encourage purchase and have a positive impact on customer loyalty is a more recent one. Because of their hedonic, symbolic and stimulating dimensions, sensory activations enable firms to both differentiate themselves and respond to consumer expectations whether these be extrinsic (efficiency, practicality), or intrinsic (pursuit of clients’ pleasure, dramatization of store).

A rapid look at some studies in olfactory marketing could mislead some people. Certainly, ambient scents, supposing that they are not unpleasant, can have a positive influence on client affective, cognitive and behavioral response. However, it should be added that this does not happen systematically, and sometimes the company observes no “return on investment”. Worse still, the scent may have negative effects. In such a case, the set up cost of the scents must be added to the decrease in turnover.

In order to better understand the mechanisms governing the influence, this article will study the impact of different ambient scents in the points of sale of “La Poste” (French state-run post-office service). Examining studies which have already been made, we will firstly demonstrate that other characteristics besides the “pleasant smell” should be taken into account. Secondly we will highlight the mediating role played by affective and cognitive responses to scents and the necessity of taking into account moderating variables. We shall then present an experiment which aimed to test our model. These will enable us in fine to draw a conclusion about the contributions of this work towards future avenues of research.

THE INFLUENCE OF AMBIENT SCENTS IN THE LITERATURE

Several authors have already analyzed the literature concerning the influence of scents in the context of marketing (for overviews, see Dauccé 2000 and Maille 2001). Here, we will present only those results which are directly relevant to our research.

The Influence of the Presence of Pleasant or Unpleasant Ambient Scents

We are now aware that it is essential to deodorize offensive smelling areas. Rotton (1983) and Ehrlichman and Bastone (1991) recorded the negative effect of unpleasant smells on emotional response and on the evaluation of photos and drawings. However, although the absence of unpleasantness is necessary, it is not sufficient.

We feel intuitively that the sales area should smell good. This is confirmed by studies presented in table 1 which demonstrate the positive influence of the presence of pleasant scents on consumer shown in: the perception of the environment/atmosphere (Chébat and Michon 2003; Spangenberg, Crowley, and Henderson 1996), the products/services presented in the space (Chébat and Michon, 2003; Mac Donnell 2002; Morrin and Ratneshwar 2001; Spangenberg et al. 1996), the emotional response (Chébat and Michon 2003), the intention to visit the shop/outlet (Spangenberg et al. 1996), the value of purchases/amout spent (Chébat and Michon 2003), the perceived time spent (Spangenberg et al. 1996), the attention and memory span (Morrin and Ratneshwar 2000; Warm, Dember, and Parasuraman 1990).

But while these effects are positive according to certain studies, they are non existent in others. Thus Dauccé (2000) was unable to show any influence caused by the presence of pleasant ambient scents regarding the perception of the atmosphere or the opinion on the store’s products. Warm et al. (1990), Morrin and Ratneshwar (2000) and Mac Donnell (2002) equally recorded no effect on the emotions or the emotional response. Dauccé (2000) observed no influence either on purchase, on time spent or on time perceived. Spangenberg et al. (1996) also record no significant effect on the time spent in the shop.

It is even more disconcerting to notice that certain effects which appear to be positive in a number of studies are shown to be negative in others. In Dauccé’s (2000) experiment, both scents, despite their pleasantness, had a negative effect on clients’ emotional response.

A wiser course would be to attempt to understand these differences.

The Influence of Ambient Scents: Towards Other Explanations?

All the studies we have considered in the above analysis were carried out in valid conditions. Furthermore, all the observed responses were measured according to similar scales. The differences observed are therefore not due to questions of reliability and/or validity, nor to using different measuring tools. We suggest rather concentrating on the two following questions: Is “a good smell" enough? Does a stimulus-response analysis alone permit a real understanding of the mechanisms of influence of ambient scents?

An Ambient Scent Which “Smells Good” Is Not Necessarily Effective. In table 1, we observe that not all pleasant ambient scents necessarily have a positive influence on the consumer (e.g. Mitchell, Kahn, and Knasko 1995 or Dauccé 2000). Another question arises from this observation, namely the influence of characteristics of ambient scents other than their pleasantness. Although most of the experiments presented here were only concerned with the influence of the presence of a pleasant ambient scent, certain researchers have looked at the role played by other characteristics of the scent.

Thus Warm et al. (1990), first of all posed questions about the potential influence of scents said to be stimulating or relaxing. Now, although in the presence of these scents, both of which are perceived as pleasant, participants’ response to detecting intermittent signals was better, the results do not permit any conclusion as to the stimulating/relaxing characteristics of these scents, much less to their influence. In the same way Spangenberg et al. (1996) compared the role of pleasant scents to those of “neutral” ones. The positive effects previously described can be attributed to the presence of the set of scents, but not to the level of pleasantness. These conclusions are confirmed by Ehrlichman and Bastone (1991). Thus, neither the stimulating or relaxing qualities of ambient scents
TABLE 1

THE INFLUENCE OF THE PRESENCE (VERSUS ABSENCE) OF A PLEASANT AMBIENT IN THE LITERATURE

| Authors | Dependent Variables | No statistically significant effect | Neutral effects | Positive effects |
|---------|---------------------|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Chiu & Kinioh (2007) | | | | | |
| McAleer (2007) | 0 | | | |
| North & Robertson (2007) | 0 | 0 | | |
| Dance (2000) | 0 | 0 | 0 | |
| Speckart & al. (1999) | 0 | 0 | | |
| Meckel & al. (1995) | 0 | | 0 | |
| Wall & al. (1990) | 0 | | | |

TABLE 1: Ambient Scents in Government Offices: Direct and Indirect Effects and Moderating Variables
nor their relative pleasantness can explain the divergences in their effects. Mitchell et al. (1995) suggest another possibility, that is, the actual significance of the scents. At first, this study aimed to demonstrate the effect of the perfume’s congruence. It shows that when the ambient scent corresponds to the category of products in a catalogue (a floral smell if the participant is to choose flowers; a chocolate smell if he is to choose chocolates), the consumer adopts a more holistic decision making process, takes longer to choose and includes more personal references in the choice-making process. The probability that the least well known option will be chosen, as well as the quest for variety are also greater. However, no effect was recorded of these scents taken globally. It can therefore be supposed that the incongruence (e.g. chocolate for purchasing flowers) inhibits the effects even if the latter is pleasant. However, we do not know the influence of the congruence on other responses. What is more, no comparative study exists to verify the consistency of this phenomenon.

Towards More Complete Models Which Integrate Mediating and Moderating Variables. Even though the studies presented above are not limited to the behaviorist framework of stimulus-response, few have sought to really test a far more complete model. In her model of the influence of atmospheric factors, Bitner (1992) suggests taking account of several mediating and moderating variables.

She highlights the mediating role of both cognitive and affective responses in the relationship between atmospheric factors and consumer response. However, only Chébat and Michon (2003) have pointed out the indirect effects of scents via these mediating variables.

Similarly, we know since the 1970’s that not all individuals have the same degree of receptivity to information from the environment. The first element that comes to mind is the mediating quality of socio-demographic variables. Several studies have demonstrated the role of the latter in the mechanisms of influence of smells. Knoblich and Schubert (1989) observed that women are more sensitive than men to smells. This fact is however not always shown to be true (Maille 2001; Rotton 1983). We can add variables expressing the relationship between the consumer and the point of sale. According to Bitner (1992), the aim of the visit should be taken into account. As suggested in a previous research (Maille 2001), we can suppose that, if the reason of his visit is cognitively involving, the client will be more influenced by an ambient scent, and more particularly by a congruent scent. Similarly, Zeithaml (1988) suggests retaining the familiarity of the client with the point of sale. The “familiar” consumer refers more to his or her previous evaluation of the point of sale than to factors of atmosphere.

In the light of the above analysis, we suggest three research propositions:

P 1: pleasant ambient scents may have a positive influence on the consumer (P1A), but not all. Some may have no effect (P1B), or a negative effect (P1C).

P 2: the influence of an ambient scent bears not only directly on consumer, but also indirectly via cognitive and affective responses which have a positive effect.

P 3: individual variables may modify the influence of ambient scents on consumer: notably, we suppose that ambient scents have more effect on women (P3A), the youngest clients (P3B), those who are the least familiar with the point of sale (P3C) and those who have come for a more involving reason (P3D).

Figure 1 describes the proposed model.

Below we present an experiment to test this model.

THE RESEARCH METHODOLOGY

We conducted an experiment consisting of observing clients of “La Poste” in the presence (or absence) of pleasant ambient scents.

The Conditions of the Experiment

The effectiveness of the presence of pleasant smells is measured by comparing the reactions of clients exposed to an odorless (versus scented) atmosphere.

However, we have highlighted that pleasant scents may have no influence at all on the consumer, or even have influences contrary to those expected. Thus we wish to demonstrate not only the impact of the presence of pleasant scents, but also the variability of that influence depending on the connotations of the scents. Five scents (all pleasant) were chosen for their varied connotations,
descriptions provided by perfume suppliers in collaboration with the companies Prolitec—Signatures Olfactives and La Poste. For example, “Club House” evokes the warm and cozy atmosphere of offices and libraries (supposed to be “congruent” with the post office), whereas Iguazu is more evocative of the dynamism of seascapes.

The perfumes were diffused continuously at a constant intensity. Prolitec had checked that the intensity of diffusion remained comparable from one perfume to another. Additionally, the perfume was diffused by a nebulization system which left no deposit on the surroundings, and the offices were ventilated during the night.

The Variables Measured

In order to be able to understand the mechanisms of influence of ambient scents, we had to consider a fairly varied set of consumer responses and the above mentioned mediating or moderating variables. Besides, in order to be able to compare our results, we took into account all variables measured in previous studies:

- Client responses towards La Poste: the time spent, the under estimation of time spent (as in previous research) and satisfaction towards the service.

- Mediators: affective responses and cognitive responses. For the first, we considered the emotional responses. However, since numerous previous studies in sensorial marketing have shown that it is difficult to demonstrate the influence of ambient scents on emotional response, we added to this measurement the perception of the atmosphere. For the cognitive responses, as Mac Donnell (2002), we measured the quality of service.

- Moderators: socio-demographic variables, the aim of the visit and the familiarity with the point of sale.

The time spent was measured by the researcher, while the estimation of the time spent was asked to the participants. The moderators were also the subject of single questions with single answers, except for the aim of the visit for which several answers were possible.

The other variables were integrated in the questionnaire in the form of multiple seven-point scales (from “not at all” to “totally”). The emotions and the perception of the atmosphere were each measured on a PAD (or rather a PA) scale, already tested and refined in the French context by Rieunier (2000) to measure the impact of music. Practically all previous studies measured items along two dimensions: pleasure (e.g. “you feel happy”) and activation (e.g. “you feel energetic”). The scale concerning the perception of the atmosphere had four items also relevant to the dimensions of pleasure (e.g. “the atmosphere is aggressive”) and activation (e.g. “the atmosphere is dynamic”). As in Mac Donnell’s (2000) research, the quality of service was measured using the SERVQUAL scale (Parasuraman 1985). We used the one which Sabadie (2001) adapted as suitable both for the French context and to public services. After a new adaptation to match the specific characteristics of La Poste, 17 items were proposed which correspond a priori to seven dimensions: reliability, service-oriented, employee ability to convey confidence and competence, empathy, employees, tangibles, user-friendliness. Finally, satisfaction was measured also using Sabadie’s scale (2001), adapted to public services in the French context. It comprises four items (e.g. “are you globally satisfied with the service offered by La Poste?”).

The Controlled Variables

In order to be certain that only the effect of ambient scents is measured, all other factors must be neutralized. In this experiment we took account of several individual variables recognized as potential moderators, but we also made sure that the samples relative to each experiment were comparable from these points of view, firstly by assigning each subject to a perfume condition on a random basis, and secondly, by using sufficiently large samples. The physical environment remained identical throughout the experiment. The study was carried out over six weeks in winter in order to neutralize any possible seasonal effects. We also tested each scent condition each day of the week and each hour of the day. For each participant, the time, the day and the weather were noted. Once the perfume conditions have been tested at all moments of the day and week, possible effects of the social environment, such as crowding, were neutralized. Slack and peak periods were represented in the same way in each of the experiments. The direct social environment was also neutralized by questioning only singletons. Finally, it would have been interesting to measure the influence of the ambient scents on the post office personnel in order to isolate this factor. Given the repetitive nature of the operation over six weeks, and the impossibility of hiding the experiment from the personnel, this was not possible.

The Experimental Sample

The sample consisted of 467 persons. Between 55 and 118 persons underwent each experimental condition.

Experimental Procedure

Without the clients’ knowledge, we firstly noted the time clients entered the point of sale, and the time when they had finished being served. Finally, respondents were approached once they had left the postal clerks window. The questionnaire was then administered face to face. At no time was any reference made to the ambient scent.

THE RESULTS

Prior Controls

Scales Validation Procedure. Concerning the measurement of emotions, a factor analysis shows the two expected factors which explain 70% of the variance: pleasure and activation. The scale reliability is good: Cronbach’s alpha is 0.72 for the first factor and 0.77 for the second one. The factor analysis carried out on the items of perception of atmosphere also show the two factors expected, explaining 71% of the variance: pleasure (β=0.64) and activation (one item only). Finally the factor analysis carried out on the items of perception of quality of service SERVQUAL, after excluding eight items, shows three factors, giving 69% of the variance: employees (β=.87), tangibles (β=.71), reliability (β=.72). Previously tested and validated by theirs authors and in a French context, these different scales didn’t need a confirmatory factor analysis.

The Control of Homogeneity of the Sample during the Six Conditions of the Experiment. All the groups in the experiment are comparable from the point of view of respondents’ profile. Samples subjected to different odors can be considered identical from the point of view of age (X2: p=.196), sex (.069) and profession (.216).

The Analysis of Results

The Direct Effect of Ambient Scents on Client Response. The measurement of the influence of scents was carried out over the total number of client responses: the emotional response, perception of the atmosphere, quality, time spent, under estimation of time.
spent and satisfaction. The under estimation of time spent corresponds to the time observed crossed with the clients estimate of time spent. The other variables correspond to the factor scores resulting from the factor analysis carried out in the original items.

We couldn’t use Structural Equation Models due to the size of some groups (N<100) and to the fact that some factors consisted in less than three items (Hair et al. 1998). A MANOVA (GLM multivariate carried out with SPSS) of the consumers’ responses according to the scent condition revealed a significant main effect of scents (Wilks’ Lambda=0.805; F=2.002; p=.0). Univariate analyses showed that, as expected, scents do have an influence on each response (p<.05), with the exception of the activation dimension of the perceived atmosphere (p=.523). But do all pleasant scents have a positive influence? Table 2 gives a ranking of the different odor conditions according to the average responses they generate (e.g. pleasure is the lowest with the odor 5, the highest with the odor 1). Moreover, a test by Waller Duncan allows a distinction to be made between significant results by conditions taken two by two and enables us to constitute two groups of significantly distinct means: in most cases, in the first group are the odors which have “no effect” (e.g. odors 3, 4, and 5 generate the same responses than the odorless condition) and in the second one are the odors which have a “positive effect”. The differences with the odorless condition not being significant in the two groups, we can’t say if the influence of scents on the activation dimension of emotion and on the under-estimation of time spent is positive or negative. Finally, no odor has a “negative effect”.

**Indirect Effects of Ambient Scents via Mediating Variables.** We followed Baron and Kenny’s procedure (1986). We firstly verified the existence of the influence of the perfume on the mediator and the influence of the perfume on the response towards La Poste. In this second relationship, the mediator was then neutralized by introducing it as a co-variable (ANCOVA). The role of the mediator is demonstrated if the threshold of significance associated with the mediator is less than .05 and if the relationship perfume-response towards La Poste is less significant with (versus without) the co-variable.

The affective and cognitive responses are the mediating variables to be considered. The first two relationships mentioned above have already been verified. Since it is not influenced by the scent, the activation dimension concerning the perception of the atmosphere can not be considered as mediating. Moreover, we observe that the effect of scents on the time spent in the Post office is only direct. On the other hand, the under estimation of time spent and the global satisfaction are both directly and indirectly influenced by the ambient scents. They increase in line with the feeling of pleasure, with the perceived level of activation and with the perception of employees and reliability. We can also see the mediating role of the pleasantness of the atmosphere on the under estimation of time and satisfaction. Finally, only satisfaction increases with the perceived quality of tangibles.

**The Moderating Role of Individual Variables.** The moderation is accepted when the interaction effect moderating x perfume is significant (p<.05).

The age and profession are not moderators on the influence of ambient scents. On the other hand, sex is one, for the time spent and the activation dimension of the emotional response. Figures 2 and 3 show that, like women, men are sensitive to smells. On the other hand, in the absence of perfume, they spend more time and feel less activated than women.

In addition, as predicted, clients cognitively involved are more subject than the others to the influence of ambient scents. Indeed, figure 4 shows that, in the absence of ambient scent, clients who had come for a financial operation perceive the service as less reliable than the others, suggesting that the financial operation is cognitively involving. We can see that the curve of these clients is less regular than the other. Moreover, it’s interesting to mention that, as predicted, these people perceive the service more reliable in the presence of perfume 5, “Club House”, selected by the experts to be “congruent” with the post office.

Finally, the familiarity of the client with the point of sale is also a moderating variable on the influence of the presence of scents concerning satisfaction and the perception of employees. Figures 5 and 6 show that clients who have been coming for over two years to this post office were less subject than the others to the influences of scents (their curves are more regular). Concerning recent clients, we can’t analyze the effect of the presence of ambient scents for the clients who had been clients for less than one year due to the fact that only one person of this group was exposed to the odorless condition.

**TABLE 2**

**SIMPLE MAIN EFFECTS OF PLEASANT AMBIENT SCENTS**

<table>
<thead>
<tr>
<th>Clients’ responses regarding La Poste</th>
<th>Less favorable odor conditions</th>
<th>More favorable odor conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotion / pleasure</td>
<td>5-3-no scent</td>
<td>2-1</td>
</tr>
<tr>
<td>Emotion / activation</td>
<td>3-5</td>
<td>4-2</td>
</tr>
<tr>
<td>Perceived atmosphere / pleasure</td>
<td>4-no scent; 3-5</td>
<td>1-2</td>
</tr>
<tr>
<td>Perceived atmosphere / activation</td>
<td>No difference (p=.523)</td>
<td></td>
</tr>
<tr>
<td>Quality / employees</td>
<td>no scent; 3-4</td>
<td>5-1-2</td>
</tr>
<tr>
<td>Quality / equipments</td>
<td>no scent</td>
<td>3</td>
</tr>
<tr>
<td>Quality / reliability</td>
<td>5-3-4-no scent</td>
<td>2-1</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>4-no scent; 3-5</td>
<td>2</td>
</tr>
<tr>
<td>Time spent</td>
<td>3-4-no scent</td>
<td>2-1-5</td>
</tr>
<tr>
<td>Under-estimation of time spent</td>
<td>3-4</td>
<td>5-2</td>
</tr>
</tbody>
</table>
But we can see that the clients from one to two years are less satisfied and perceive the employees less favorably without perfume.

**CONCLUSION**

The results observed here show the impact of ambient scents on clients very clearly.

From a theoretical point of view, we can confirm that the presence of ambient scents can influence positively consumers (proposition 1A validated). The influence on time spent or perceived and on satisfaction towards the service is both direct and indirect, via cognitive and affective responses, with the exception of time spent which is influenced only directly (proposition 2 partially validated). The happier and more stimulated the client, the more favorable the responses to these variables. We notice the same phenomenon with the perceived atmosphere (pleasure dimension) and perceived quality (employees, tangibles, reliability dimensions). But we could see that, as predicted, an ambient scent which
“smells good” is not necessarily effective. Compared to the odorless condition, certain perfumes have no significant effect (proposition 1B validated). Others have negative effects, even if the difference with the odorless condition is not significant (proposition 1C not validated). Moreover, as predicted, individual variables moderate the influence of ambient scents. Both men and women are sensitive to ambient scents, but not in the same way: unlike women, men tend to spend less time at La Poste in the presence (versus the absence) of perfumes (proposition 3A partially validated). More than the others, people who came for an over-the-counter financial operation (probably a cognitively involving operation) perceive reliability of the service as being less in the absence of an ambient scent. Moreover, as predicted, these cognitively involved clients are more subjects to the influence of the presence of ambient scents, and to “congruent” scents. Finally, as predicted, familiar clients are less influenced by the ambient scent than the others, while recent clients, less satisfied than the older customers in the odorless condition, are more satisfied in the presence of perfume.

Since it was conducted in situ and in collaboration with several companies, this work also presents considerable interest from an operational standpoint. Even if laboratory experiments do guarantee greater internal validity, those which are conducted in the field enable generalizations to be made about results. Until now, few studies had been carried out outside laboratories. Our results suggest that a badly chosen ambient scent, even a pleasant one, can have heavy consequences. Inasmuch as observing only the characteristic of pleasantness is not enough to predict the effect of the ambient scent, a pre-test such as that which was carried out here, is indispensable. Companies must also study their target in order to identify possible moderating effects. To do this, it is necessary to carry out a pre-test on a totally representative sample of the target, taking into account not only socio-demographic characteristics, but also the aim of the visit and the familiarity with the store.

Several limitations inherent to our study put these results into perspective and suggest new avenues of investigation.

The first reproach has to do with the sample. It is to be regretted that the experiment was carried out in only one point of sale. The post office of Boulogne-Billancourt has, obviously, little chance of being representative of La Poste in France.

Another avenue of research which it seems urgent to explore concerns the characterization of the experimental perfumes. Here we have simply used a series of “pleasant ambient scents with various connotations”. We have seen that the presence of a pleasant ambient scent did not necessarily have a positive influence on
consumer response. Beyond this simple observation, the next objective would be to try to explain why. We have supposed that there are very likely to be other characteristics of perfumes, for example their connotation, which might intervene.

It would also be interesting to study the impact of the perfumes on and via the personnel in contact with the clients. We could see that an ambient scent has a positive influence on the time the client spends at La Poste. Since the offer of service is mainly limited to over-the-counter transactions, this means that the time of interaction client/personnel has been increased. Is this because of the client (slower, more talkative, consuming more?) or the contact personnel? Several researchers have already pointed out the impact of the atmosphere on the employees (Bitner 1992; Reunier 2000; Turley and Chébat 2002). Inasmuch as the contact personnel are a major element of evaluation of quality of service, this point is important in our context. In the present experiment, it was difficult to evaluate the daily mood of the contact personnel over six weeks. It is necessary, however, in future research to think about this question, perhaps by limiting the number of scents and the duration of the study.

More generally, we should stress that, here, the measurements of influence were only instantaneous. It is certain that longitudinal studies are more complex to carry out, notably because of the bias of mortality effect to which they are subject. However this is probably the path towards which we should be turning for future research. Can we hope to find effects identical to those we have described, which are constant over time? Similarly, in line with what studies of the olfactory memory have suggested (e.g. Morrin and Ratneshwar 2000), could we not associate the odor with the brand image of the store? What consequences could be observed as to customer feelings towards the brand and to customer loyalty?

Finally, we only observe one of the senses and this analytical approach does not allow us to answer questions pertaining to “poly-sensoriality”. A holistic approach seems to us however premature because it implies first of all a better knowledge of each sense in isolation.

REFERENCES


EXTENDED ABSTRACT

This paper investigates the effects of body movement and the ability to virtually interact with body-involving products (e.g., apparel) on online shoppers’ evaluation of such products, confidence in their evaluation, and subsequent purchase decisions. We conducted a series of experiments using online tools that allow consumers to create a virtual model of themselves and virtually “try on” clothing before making purchase decisions. These studies find that interactive online tools and actual body movement significantly influence the online evaluation of body-involving products. Individual differences in body esteem and preference for visual style of processing also influenced evaluation of the virtual model.

The traditional view of consumer information processing (Bettman 1979) is that such cognitive activity takes place in the head, that is, the mind stores knowledge, processes and integrates new information, and evaluates options in order to make optimal choices. Others have shown that perception and decision making are prone to biases and errors (Tversky and Kahneman 1974) but these, too, are products of the mind. An alternative view that is gaining acceptance in cognitive science argues that cognition is a function of both the brain and body, working together as an integrated system to support decision making and action (Damasio 1994; Johnson 1987; Thelen and Smith 1994). Thus, how the body can interact with an object or take action is fundamental to understanding the meaning of the object or situation (Glenberg 1997). Indeed, research has shown that simple body movements can affect performance on a variety of cognitive tasks. These include the effects of finger movements on categorization and preference formation (Van den Bergh, Vrana, and Eelen 1993), head movement on attitude change (Wells and Petty 1980; Brinol and Petty 2003), and body positioning on spatial orientation (Rieser, Garing, and Young 1994) and on understanding instructions (Glenberg and Robertson 1999).

Body movement and the opportunity to physically interact with products may similarly affect consumer understanding and evaluation of products, especially body-involving products such as apparel or sports equipment (Rosa and Malter 2003). The lack of direct experiential information increases the perceived risk of purchasing such products in body absent environments such as telephone shopping (Cox and Rich 1964), mail-order catalogs (Spence, Engel, and Blackwell 1970), and Internet retailing (Alba et al., 1997). Thus, consumers with a higher need for tactile input for product evaluation make fewer Internet purchases of products such as clothing and flowers (Citrin et al. 2003) and may prefer shopping for such products in environments that allow for tactile/sensory evaluation prior to choice (McCabe and Nowlis 2003). More specific body-related factors such as body esteem (i.e., like or dislike of one’s body) and body boundary aberration (variation in the perceived location of the edges of one’s body) have been found to influence consumer intentions to purchase apparel online (Rosa, Garbarino, and Malter 2006).

Our research builds on and extends these prior studies by investigating the effects of body movement and the ability to virtually interact with body-involving products such as apparel on online shoppers’ evaluation of such products, confidence in their evaluation, and subsequent purchase decision. We conducted a series of studies to test the effects of new technology that allows consumers to create a virtual model of themselves to virtually “try on” articles of clothing before deciding to purchase these products online (Ives and Piccoli 2002). Based on a view of mental simulation as a central cognitive process (Barsalou 1999), such perceptual online sales aids may help consumers imagine themselves interacting with products without actually touching them, thus facilitating more accurate product evaluation and more confident online purchase decisions.

In study 1, we found that consumers do not tend to exaggerate their physical characteristics (height, weight, build) when constructing a virtual model of themselves; they create a relatively isomorphic model that many rated as looking very much like them. We tested the effects of individual differences in body-related factors, and found that consumers’ body image and esteem (Cash and Szymanski 1995; Chapman, Chapman, and Raulin 1978; Secord and Jourard 1953) significantly affected the perceived realism of the virtual model, though effects differed by gender and satisfaction with specific areas of the body. Consumers who preferred a more visual style of processing (Childers, Houston, and Heckler 1985) perceived the virtual model to look more like them and were more satisfied with how their virtual model looked in the apparel “tried on” the model.

Study 2 tested the effect of building and using a virtual model versus evaluating pictures of the same clothing in an online catalog without using a virtual model. Trying clothes on a virtual model increased consumers’ confidence in their online evaluation of clothing items, and shifted preference for displaying the items (on a virtual model that looks like them over a professional model). However, the enhanced realism of using the virtual model did not lead to more positive evaluations of the sample clothing or increase readiness to purchase the items.

In study 3, we tested the effect of consumers’ body movement (standing, turning, and looking in a mirror when constructing the virtual model and “trying on” clothing online) on perceived accuracy of the virtual model and evaluation of the sample items. This manipulation was intended to increase participants’ awareness of their full body and body boundaries (similar to a fitting room at a brick-and-mortar clothing store), compared to the disembodied state of sitting at a computer moving only their eyes and fingers. As expected, body movement had the strongest effect on the evaluation of shoes (cf. shirts or pants), apparently increasing awareness of more distant extremities compared to a static seated body position.

In sum, we find that perceptual online sales aids and actual body movement significantly affect the online evaluation of body-involving products such as apparel. However, there are significant individual differences in body-related psychological and physical factors that render sales-aid technology useful for some consumers but less effective for others.

REFERENCES

EXTENDED ABSTRACT

Country-of-origin (COO) effects have been one of the top research themes in international marketing over the last four decades, especially in the Anglo-American literature. In Germany, however, researchers have paid relatively little attention to this topic, although with some notable exceptions. Accordingly, this study extends the research in the area by analyzing the COO effect with respect to German consumers.

COO is a complex and multi-dimensional construct. Therefore, it has been interpreted and operationalized in different ways (for an overview, see Al-Sulaiti and Baker 1998; Peterson and Jolibert 1995; Roth and Romeo 1992; Verlegh and Steenkamp 1999). Our definition is based on Nebenzahl et al. (1997) which focuses on the origin-country image, meaning that consumers regard the home country of a product or brand as being the country-of-origin, regardless of where the product is manufactured.

The link between the COO image and brand equity is of particular interest in this present research. Two alternative causal relationships have been proposed in literature (Han 1989; Johannson et al. 1985; Nebenzahl et al. 1997; Shimp et al. 1993), also referred to as the halo and summary effects. The halo effect occurs when consumers know little about a country’s products (Han 1989; Peterson and Jolibert 1995) and the COO forms the brand beliefs. The COO image directly influences consumers’ beliefs about product attributes and indirectly affects brand equity through those beliefs. The summary effect, which applies to consumers who have experience with the particular product of origin, suggests an opposing structural relationship. The COO image, which is influenced by beliefs about the attributes of products made in a given country, directly affects consumer attitudes toward the brand or purchase intentions (Han 1989; Heslop and Papadopoulos 1993). These two alternative directions of impact (halo and summary effect) are analyzed in competing models. These were estimated for the two groups of participants (experienced/inexperienced), resulting in the following four models: (1) “halo-experienced,” (2) “halo-inexperienced,” (3) “summary-experienced,” and (4) “summary-inexperienced.” It is important to note that, contrary to other studies, we used country equity (CE) and not brand equity as the dependent variable for our study. The reason is that we want to make a more general statement about a product category (here: cars) coming from a particular country, instead of just for a particular brand. In a similar manner to the definition of overall brand equity (Yoo et al. 2000), we define CE as the difference in consumer choice behavior between a product of a particular country of origin and one with another origin, given the same level of objective product features.

The results, including data from 423 consumers who evaluated cars from Germany, Italy, France and Japan, confirm our hypotheses. Only three models could be identified. Model 1 (“halo-experienced”) does not converge, meaning that the data does not fit the hypothetical model satisfactorily. Therefore, we conclude that the halo model is able to predict CE when customers are not experienced with a certain product category, in this case cars. Moreover, the model explains about 43% of variation of CE. This conforms to the existing literature, suggesting that the halo effect is only present when consumers are inexperienced with the product in question. Comparing the two possible summary models, we identified a clearly superior model: the “summary-experienced” model. Hence, the summary model is to a larger extent capable of predicting CE when customers are experienced with a particular product category.

The observed results are of considerable practical relevance. In the case of product-inexperience, the focus of marketing communication should be on the favorable dimensions of a country’s general image, because people will deduce a product image based on this image. In Germany, this is relevant for brands with a low market share that are relatively new to the market, such as Korean and Chinese brands. When consumers are experienced with a product of particular origin, communication should be focused on brand image and less on the particular COO image. This is presumably true for well-established brands with a higher market share, such as Italian, French and Japanese import cars.

Several limitations in our study suggest the need for further research. (1) We focused on only one product category, with a strong dominance of Domestic Country Bias (DCB). (2) An extension to other cross-cultural settings should yield further useful insights about COO/DCB. (3) Including other constructs could explain possible reasons for COO/DCB effects (e.g., ethnocentrism). (4) Further research should be extended at the brand level. Determining the intensity of COO influence at the brand level could yield practical implications for marketers, enabling them to benefit from a positive COO effect on certain dimensions and to bypass unfavorable dimensions.

REFERENCES


Re-Examining the Wisdom of Brand Extensions: The Effects of Competitor Familiarity and Product Information on Risk and Choice
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ABSTRACT
We examine the ecological validity of prior brand extension research by testing in a more realistic marketplace scenario. Specifically, we investigate the effects of competitor brand familiarity and product information availability on the success of brand extensions relative to established competitor brands. We find that brand extensions succeed best when competitor brands are less well-known and information is limited. When competitors are well-known or when information is available, brand extension success is more limited than previously predicted.

INTRODUCTION
In each of the past two decades, the most common method of new product introduction has been via brand extensions (Loken and John 1993; Zhang and Sood 2002). At least part of the reason for the popularity of brand extensions is that attaching a well-known brand name to a new product reduces companies’ introduction costs and serves as a cue to lower risk for consumers. Simply using a familiar brand name creates a sense of security and trust even when consumers know nothing specific about the extension or the product category (e.g., Erdem 1998; Erdem and Swait 1998; Smith and Park 1992).

One well-accepted finding in brand extension research is that brand name familiarity enhances attitudes towards brand extensions (e.g., Erdem 1998). Yet, the ecological validity of this finding warrants additional investigation because most prior brand extension research fails to incorporate competition or information availability in the marketplace. Managers rarely face a situation where a brand extension enters into a product category as the only alternative available. Thus, practitioners are interested in understanding when a consumer will actually choose a brand extension over a competitive brand in a product category. Consumer researchers are also interested in this issue, as the call to incorporate more ecologically valid tests of brand extensions effects has been deemed vital to better understanding of consumer behavior (e.g., Klink and Smith 2001). In this paper, we conduct two experiments that investigate the appeal of brand extensions relative to established competitors. We test three variables that we believe begin to address the issue of ecological validity of brand extension research, namely competitor brand familiarity, the availability of product information, and consumers risk perceptions when purchasing a new product.

HYPOTHESES DEVELOPMENT

Brand Familiarity
When purchasing a new product, consumers often look for information that lessens the risk associated with the purchase (e.g., Campbell and Goodstein 2001; Dowling and Staelin 1994). This information may include intrinsic product information, expert advice, or extrinsic cues that help infer product quality (e.g., Rao and Monroe 1989). One commonly used extrinsic cue shown to reduce risk is associating a familiar brand name with a new product (e.g., Dodds, Monroe, and Grewal 1991). Consumer researchers have shown that not only does this reduce risk, but it also leads to better choice probabilities for the new brand (e.g., Heilman, Bowman, and Wright 2000; Hoyer and Brown 1990). For example, a dominant choice strategy for inexperienced buyers in a product category is to choose the most familiar brand (Hoyer and Brown 1990). Similarly, Heilman et al. (2000) find consumers new to a market tend to choose well-known brands rather than lesser-known national or store brands.

While earlier research supports the advantage of brand name familiarity in reducing risk, we propose that established competitors are afforded this same advantage. That is, in determining the success of a brand extension, the familiarity of the extension brand name and the competitor brand names must both be considered. Brand extension strategies may serve to reduce risk either when the extension faces no competition or when competitors in the extended product category are relatively unfamiliar. In this case, although the parent brand may not be well-known in the extended-to-product category, its familiarity provides a cue to form inferences about the extension’s performance. In contrast, when a brand extends to a product category in which there are well-known competitors, the extension brand is relatively less known in that category and the ability of the brand name to reduce risk diminishes.

For example, imagine Nikon extended its brand name into binoculars, where it competes with Tasco and Bushnell (leading binocular brands that are generally not well-known to many consumers). Here, Nikon would be perceived as relatively more familiar even though consumers are not familiar with Nikon binoculars. However, if Nikon extended into scanners, where it competes with HP and Epson (leading scanner brands that are familiar to consumers), then Nikon would be relatively less familiar. In the former case, the Nikon name would serve to reduce risk and increase choice probability, whereas in the latter case it would be afforded no such advantage.

H1: Brand extension choice shares will be significantly lower when consumers are more, versus less, familiar with competitor brands.

H2: Perceived risk associated with brand extensions will be significantly higher when consumers are more, versus less, familiar with competitor brands.

Product Information Availability
It is important to note that prior research demonstrates that the amount of information available to consumers affects their judgments, risk perceptions, and inferences (e.g., Lynch, Marmorstein, and Weigold 1988). When intrinsic information is available and used by consumers, their reliance on extrinsic cues, such as brand names, is lessened (e.g., Heilman et al. 2000; Miyazaki, Grewal, and Goodstein 2005). For instance, Heilman et al. (2000) also found that when consumers gather more information about a product category, the risk associated with lesser-known and store brands diminish and their choice probabilities increase. Extending this logic, we propose that providing product information for all brands reduces the advantage afforded brand extensions that compete with unfamiliar competitors. Alternately, when competitors are more
well-known, providing product information for all brands will enhance the effectiveness of the brand extension.

**H3**: Providing information for all brands will decrease choice shares for brand extensions competing with lesser-known competitor brands and increase choice shares for brand extensions competing with more well-known competitor brands.

**H4**: Providing information for all brands will reduce perceived risk for lesser-known brands, in the case of brand extensions this occurs when competitors are more well-known.¹

**STUDY 1**

**Experimental Design and Sample**

The hypotheses were tested using a 2x2x2 between-subjects design with a control condition that was used to check our manipulations. Participants were 576 business students assigned randomly to the conditions (383 to one of the experimental conditions and 193 to the control condition) who completed the paper-and-pencil questionnaire during their normal class time. The three factors were competitor brand familiarity (less/more familiar), attribute information availability (limited/expanded), and parent brand quality (lower/higher). As prior research indicates that brand extension advantages are afforded both high and average quality brands (e.g., Bottomley and Holden 2001; Keller and Aaker 1992), we included two parent brands that vary in quality as replicates to increase generalizability of our results. We also used four product categories to represent the levels of competitor familiarity (two representing less familiar competitors and two representing more familiar competitors) to increase generalizability. In the limited information condition, subjects received only the brand names and price, while in the expanded information condition, subjects also received extension quality and attribute information (cf. McCarthy, Heath, and Milberg 2001). Note that the extension brand is always positioned between the two competitors in terms of price/quality tradeoffs (cf. Simonson and Tversky 1992) and the information received was consistent with the price-quality positioning.

**Stimuli**

Sequential pre-testing was necessary to identify candidate parent brands, extension product categories, and competitor brands. The design required that the parent brands be familiar and well-liked, but differ in terms of quality. Then, we had to identify extension product categories in which competitor brands varied in terms of familiarity and quality perceptions, but were generally well-liked. Finally, information was manipulated based on the actual price, quality, and attribute information from the market.

**Parent Brand Identification.** To identify two parent brands for our extensions, 24 business students were asked to assess eight brands (Daewoo, Panasonic, Samsung, Sharp, Pioneer, RCA, Toshiba, and Sony) in terms of familiarity, liking, and quality using a seven-point scale (1=low, 7=high) to measure each. Based on our criteria, Samsung and Sony proved to be brands that were highly familiar (M_{Sony}=6.84, M_{Samsung}=6.60, n.s.), well-liked (though Sony more so M_{Sony}=6.64, M_{Samsung}=5.96, p<.05), and differentiated in terms of quality (M_{Sony}=6.68, M_{Samsung}=4.72; p<.001).

**Competitor Brand Identification.** A second pretest was used to identify extension product categories and competitors for our study. Four extension product categories were chosen based on 25 business students’ ratings of competitor familiarity, quality, attitudes, and the product category fit with the parent brands. Specifically, two extension product categories were chosen to represent each level of competitor brand familiarity to control for possible effects of fit and to enhance generalizability. Therefore, within each level of competitor brand familiarity the two product categories varied in terms of participants assessments of their degree of fit with the parent brands (lower versus higher). Participants were significantly less familiar with the lower fitting, telescope brands Bushnell (M_{Bushnell}=1.12) and Tasco (M_{Tasco}=1.20) and with the higher fitting, cell phone brands Nextel (M_{Nextel}=1.06) and Audiovox (M_{Audiovox}=1.56) than with the lower fitting, watch brands Seiko (M_{Seiko}=6.00) and Casio (M_{Casio}=4.44; p<.001) and with the higher fitting, printer brands Epson (M_{Epson}=6.04) and Canon (M_{Canon}=6.28; p<.001). Within each level, brand familiarity did not differ (all F<1, n.s.) and familiarity with Sony, Samsung, Seiko, Casio, Epson, and Canon were not significantly different (p>10), whereas familiarity with our parent brands were significantly different from the unfamiliar competitor brands (p<.001).²

We also identified a high quality and average quality brand within each of the four categories, so that we could position the Sony/Samsung extension between the two competitor brands. Pretest participants rated the level of quality they associated with each of the competitor brands that they were familiar with (it would make little sense to provide quality ratings for unfamiliar brands). This pretest evidence was combined with marketplace information (i.e., Bushnell is a high quality telescope, Tasco is an average quality telescope, Nextel is a high quality cell phone, and Audiovox is an average quality cell phone). Respondents rated Seiko watches (M_{Seiko}=6.10) significantly higher quality than Casio’s (M_{Casio}=4.55; p<.01) and Epson printers (M_{Epson}=5.95) significantly higher quality than Canon’s (M_{Canon}=4.45; p<.01).

In addition, we measured competitor brand attitudes to assure that participants did not choose extension brands simply because they did not like competitors’ brands. Respondents rated the familiar competitors, Seiko (M_{Seiko}=6.00), Casio (M_{Casio}=5.86), Epson (M_{Epson}=5.84), and Canon (M_{Canon}=6.04) positively and not significantly different from each other (p>10). Finally, information was designed to follow marketplace conditions (see Appendix).

**Procedure**

Participants read a brief cover story explaining that we were interested in “people’s opinions about brands and products.” They were then instructed “to imagine that you need to buy a product (i.e., watch, printer, telescope, or cell phone) and that you went to a local store where you found three brands of the product from which to choose.” For each brand participants were provided with information from a “Consumer Reports” type rating about our target brand extension and two competing brands. The information was either limited to brand name and price or expanded to include information about various attributes for each product. After reading this information, participants selected a brand and following their choice, they responded to a series of filler questions. Next, participants evaluated the risk associated with each alternative (1=not at all risky, 7=extremely risky) and rated their familiarity with each of the

¹Note that increasing information for lesser-known competitors should also reduce their risk, however, this does not imply that the risk of the extension increases.

²This data was collected while the first author was visiting abroad. In that marketplace, cell phones were relatively new and Audiovox and Nextel were two of the main brands of phones available. In addition, Samsung and Sony were not yet present in this product market.
parent brands (“Samsung” and “Sony,” not the branded product, e.g., Samsung printer, Sony printer, etc.; 1=not at all familiar, 7=very familiar).

In the control condition, participants read the cover story and then rated the parent brand on seven-point favorability (1=not at all favorable, 7=extremely favorable) and liking scales (1=extremely negative, 7=extremely positive). Then they rated their perceived quality and familiarity with the parent brand (1=low quality, 7=high quality) and (1=low familiarity, 7=high familiarity). Finally they rated the fit between the parent brands and each of the extension product categories (1=worst fit, 7=better fit).

**Results**

**Manipulation Checks.** Data from the control group were analyzed to check the manipulations of parent brand quality. As expected, Sony was rated significantly higher than Samsung (Sony=6.38, Samsung=4.85; F(1,192)=141.24, p<.001). Additionally, attitudes toward Sony and Samsung were positive (Sony=6.21, Samsung=5.09; F(1,192)=73.69, p<.001). As in the pretest, subjects were significantly less familiar with Bushnell (Fam=2.39) and Tasco (Fam=2.10), Nextel (Fam=2.01) and Audiovox (Fam=2.63), than with Epson (Fam=5.73), Canon (Fam=5.58), Seiko (Fam=5.62), and Casio (Fam=6.0; F(1,362)=221.18, p<.001). Again, the levels of familiarity within each instantiation of higher and lower familiarity did not differ between product categories (all Fs<1, n.s.).

**Hypotheses Tests.** H1 predicts higher choice shares for extensions when they compete with less familiar versus more familiar competitors. The choice data were subjected to a binary log linear model and the logistic regression revealed a main effect of competitor brand familiarity on extension choice (More Fam=20.2%, Less Fam=67.2%; w(1)=22.97, p<.001), supporting the hypothesis.

H2 posits that perceived risk associated with extensions will be higher when they compete with more well-known versus lesser-known competitors. This hypothesis was analyzed using planned contrasts stemming from a three-way ANOVA and indicated that perceived risk was significantly lower when extensions compete with less versus more familiar competitors (M Less Fam=3.18, M More Fam=3.76; F(1,373)=13.71, p<.001). Further, the risk levels associated with the brand extension and the competitors’ brands in each choice set also supported the hypothesis. In choice sets where competitors were well-known, the brand extension was perceived as more risky than competitor alternatives in all eight cases (p’s<.05). In choice sets where the competitors were less-known, the brand extension was rated significantly less risky in all eight cases (all p’s<.05). This data strongly support H2.

H3 predicts lower share for extensions when competition is less known and information is provided and higher extension choice share when competitors are more well-known and information is provided. The logistic regression indicates a significant two-way interaction between competitor familiarity and the amount of information available on choice (w (1)=11.12, p<.001). As predicted, expanding the amount of product information decreases extension choice shares when competitors are relatively less familiar (M Limited=57.6%, M Expanded=55.6%) and increases choice shares for the relatively less familiar brand extensions (M Limited=67.3%, M Expanded=69.4%). Further, we replicate previous findings that higher quality brands (Sony) outperform lower quality brands (Samsung), though the pattern is similar for both on choice (w (1)=3.66, p<.05). Thus, we find strong support for H3. (See Table 1 for all results.)

H4 predicts that when extensions are lesser-known brands, i.e., competing with more well-known brands in a product category, extension risk should decrease with expanded information. Planned contrasts revealed that for Samsung increasing information decreased perceived risk for extensions competing with more familiar brands (M Limited=3.24, M Expanded=2.59; F(1,96)=5.26, p<.05). None of the other contrasts were significant, thus H4 received only support for the average quality brand. (See Table 1.) There were no effects of fit on either choice or risk perceptions.

**Discussion**

The purpose of Experiment 1 was to examine the relationship between competitive brand familiarity and information availability on extension risk and choice. We found that extensions were perceived as less risky and were chosen more often when they compete against less familiar competitors. Further, providing additional information about brands in the product category improves extension evaluations and choice only to the extent that competitors are more well-known. When they are less known, adding information about all brands served to detract from the success of the extension. Before accepting these conclusions, however, it is advisable to test the generalizability of our results by applying our study to another set of brands and product categories (cf. Klink and Smith 2001). Thus, we conducted a second study to generalize these findings across new brands, products, and competitors.

**STUDY 2**

**Methodology**

As in Study 1, the hypotheses were tested utilizing the same 2x2x2 between-subjects factorial design. Here, 560 business students completed a paper-and-pencil questionnaire administered during their normal class time. There were 376 participants in the experimental conditions and 184 in the control condition. The procedure and stimulus development followed the same logic as in Study 1. In this study, Nikon and Minolta were chosen as the parent brands based on a pretest where both brands were rated by 25 business students as familiar (M Nikon=5.72, M Minolta=5.08), well-liked (M Nikon=5.76, M Minolta=4.84), and with differentiated but acceptable quality levels (M Nikon=6.40, M Minolta=4.36; p<.05). Again, four extension product categories (two representing higher familiarity and two representing lower familiarity with competitor brands) were chosen based on ratings from another 25 business students. As in Study 1, within each level of competitor brand familiarity the product categories chosen varied in terms of their degree of fit with the parent brands. The higher fitting, binocular brands, Bushnell (M Bushnell=3.12) and Tasco (M Tasco=1.20) and the lower fitting, laser pointer brands Acme (M Acme=1.12) and Apollo (M Apollo=1.88) were significantly less familiar than the higher fitting, scanner brands, HP (M HP=6.04) and Epson (M Epson=6.01) and the lower fitting, CD player brands, Sony (M Sony=6.96) and Pioneer (M Pioneer=5.52, p<.001). Additionally, the parent brands and familiar competitors ranked similarly high in terms of familiarity (all p’s>.10), and the parent brands and unfamiliar competitors ranked significantly different and in the right direction (all p’s<.001).

Moreover, consumers indicated highly favorable attitudes toward each of the familiar competitor brands. In addition, for the familiar competitors, respondents rated the quality for HP (M HP=5.98) and Epson (M Epson=5.36) as significantly different (p<.05), as well as the quality of Sony (M Sony=6.64) and Pioneer (M Pioneer=5.52, p<.001). Quality information about the less familiar competitor was again obtained from the marketplace (see Appendix).

**Results**

**Manipulation Checks.** Nikon’s quality was significantly higher than Minolta’s (M Nikon=5.27, M Minolta=4.56, F(1, 189)=16.10,
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p<.001), though both were positive. Similar results were found for attitudes (M_{Nikon} = 5.39, M_{Minolta} = 4.87; F(1,184)=8.65, p<.01). Both brands were familiar (M_{Nikon} =4.70, M_{Minolta} =4.61, F<1, n.s.). Also, participants were significantly less familiar with the Acme (M_{Acme}=3.06) and Apollo (M_{Apollo}=2.13) laser pointers than they were with HP (M_{HP}=6.31) and Epson (M_{Epson}=5.52) scanners and Sony (M_{Sony}=6.78) and Pioneer (M_{Pioneer}=5.29 ; F(1, 359)=828.2, p<.001) CD players. Thus all manipulations were successful.

Hypotheses Tests. The logistic regression revealed a main effect of competitor brand familiarity on choice with higher extension share when competitors were less familiar (M_{More Fam}=16.9%, M_{Less Fam}=58.5%; w(1)=37.41, p<.001), replicating support for H1. H2 was retested using planned contrasts stemming from the three-way ANOVA and indicated that perceived risk was significantly lower when extensions compete with less versus more familiar competitors (M_{Less}=2.73, M_{More}=3.90; F(1, 354)=60.64, p<.001). Additional analysis of the perceived risk associated with the brand extension and the competitors’ brands in each choice set also replicated our findings. In choice sets where competitors were well known, the brand extension was perceived as significantly more risky than competitor alternatives in all eight cases (all p’s<.05). In choice sets where the competitors were less known, the brand extension was rated significantly less risky in all eight cases (all p’s<.05). This set of data strongly replicates H2.

A significant competitor familiarity by information interaction for choice was again found (w(1)=19.80, p<.001). When competitors were relatively more familiar, expanding information provided an advantage for the brand extension (%_{Limited}=5.43% and %_{Expanded}=28.57%), but when they were relatively less familiar it created a disadvantage for the brand extension (%_{Limited}=69.39% and %_{Expanded}=51.77%), supporting H3.

H4 was retested using planned contrasts and indicated that increasing information decreased perceived risk for extensions competing with more familiar brands (M_{Limited}=4.17, M_{Expanded}=3.62; F(1, 172)=5.70, p<.02), while increasing information did not change perceived risk for extensions competing with less familiar brands (M_{Limited}=2.65, M_{Expanded}=2.81; F<1, n.s.), supporting H4. In summary, results from Study 2 indicate that the effects predicted were robust across different parent brand, product categories, and competitors, increasing their generalizability (see Table 2). Again, there were no effects of fit on choice or perceptions of risk.

GENERAL DISCUSSION

The purpose of this research was to examine market conditions that affect the performance of brand extensions relative to competitor brands. We found that the benefits accrued to brand extensions appear to be less than formerly predicted when familiar competitors are thrown into the choice set. Further, while we agree with Klink and Smith (2001) that information provision is an important contributor to extension success, we find that providing additional brand information helps an extension only when it is competing against familiar competitors. In addition, the interaction between competitor brand familiarity and the amount of information available suggests that when extending to categories in which there are well-known competitor brands, increasing the amount of information about the extension is a good strategy. This may be due to the fact that extension success then depends on intrinsic information as well as on the brand cue. On the other hand, in situations where consumers do not evaluate much product information extensions are likely to be more successful when they compete with lesser-known competitor brands whereby the brand cue has more influence on preferences (e.g., Dodds et al. 1991).

Thus, extension success appears, not surprisingly, to be sensitive to market conditions. This means that when assessing market attractiveness for an extension, managers need to consider not only characteristics of the parent brand and the extension, but also characteristics of the incumbent competitors as both affect consumers perceptions and choices. While such a recommendation has much face validity, we were surprised to see this issue has been relatively ignored in prior research. This is not to say that extensions cannot be successfully introduced into markets with well-known competitors. Although the brand name may be a cue to reducing the risk associated with purchasing the extension, the risk reducing ability of the brand cue is diminished in the presence of highly familiar competitors and intrinsic attribute information for all brands. This means that managers may not save money or garner

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<th>Parent Brand</th>
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<tr>
<td>Sony</td>
<td>more familiar</td>
<td>expanded</td>
<td>27%</td>
<td>3.54</td>
</tr>
<tr>
<td>Sony</td>
<td>less familiar</td>
<td>limited</td>
<td>88%</td>
<td>3.25</td>
</tr>
<tr>
<td>Sony</td>
<td>less familiar</td>
<td>expanded</td>
<td>88%</td>
<td>2.60</td>
</tr>
<tr>
<td>Samsung</td>
<td>more familiar</td>
<td>limited</td>
<td>5%</td>
<td>4.27</td>
</tr>
<tr>
<td>Samsung</td>
<td>more familiar</td>
<td>expanded</td>
<td>20%</td>
<td>3.86</td>
</tr>
<tr>
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<td>less familiar</td>
<td>limited</td>
<td>78%</td>
<td>3.33</td>
</tr>
<tr>
<td>Samsung</td>
<td>less familiar</td>
<td>expanded</td>
<td>65%</td>
<td>3.66</td>
</tr>
</tbody>
</table>

Note: Familiarity = Relative Familiarity of Competitors; Information = Amount of Available Information; BE = Brand Extension; HQC = High Quality Competitor; SQC = Standard Quality Competitor
acceptance of the extension as easily as previously believed even in markets where there is a fit (e.g., Aaker and Keller 1990).

Moreover, the results suggest that perceived risk is affected by contextual factors and may be a key driver for extension choice. Specifically, consumers’ extension choices and perceptions of risk seem to be strongly influenced by brand familiarity. Further, we did not find that increasing product information necessarily reduces brand extension risk but rather that information interacts with relative brand familiarity to reduce risk and influence extension choice. Expanding product information did however, increase choice and reduce risk associated with lesser-known brands whether they are extensions or competitor brands. These results suggest that consumers consider the diagnosticity of some extrinsic and intrinsic cues to be greater than others (e.g., Miyazaki et al. 2005; Purohit and Srivastava 2001).

Although the results of the studies presented here are consistent with our theoretical account of how brand extensions might work under certain scenarios, more work needs to be done to understand the underlying process accounting for these effects. We assumed that risk was an important driver for choice. While we included a risk measure, future studies should include both process measures and open-ended responses that can more directly assess the underlying process for extension choice (cf. Campbell and Goodstein 2001). Further, our studies were limited in that the products studied might best be described as high-involvement, consumer durables. Under low-involvement conditions perceived risk tend to be lower and consumer willingness to try lesser-known brands may be higher. Thus, it would make sense to retest the effects studied here under such low involvement conditions to see if they are moderated by involvement.

Finally, we purposely limited the price-quality positioning of our brand extensions to fall between the two competitive brands offered. Although this provided internal consistency for our hypothesis tests, brand extensions in the marketplace are positioned at all levels relative to competition. It may be the case that brand extensions positioned at that upper price-quality tier within a category may have different success than those in the middle position or those at the lower end depending on the competitive scenarios in which they are compared to other brands (cf. Lemon and Nowlis 2002). We believe this might be an interesting area for future research. Regardless, our studies support that both consumer researchers and managers should more closely examine the characteristics of likely competitors when assessing the potential success of brand extensions.

REFERENCES


### TABLE 2

Summary Results Study Two: Choice Shares and Perceived Risk

<table>
<thead>
<tr>
<th>Parent Brand</th>
<th>Familiarity(a)</th>
<th>Information(b)</th>
<th>Choice</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nikon</td>
<td>more familiar</td>
<td>limited</td>
<td>BE(c)</td>
<td>BE(c)</td>
</tr>
<tr>
<td>Nikon</td>
<td>more familiar</td>
<td>expanded</td>
<td>8%</td>
<td>3.95</td>
</tr>
<tr>
<td>Nikon</td>
<td>less familiar</td>
<td>limited</td>
<td>24%</td>
<td>3.36</td>
</tr>
<tr>
<td>Nikon</td>
<td>less familiar</td>
<td>expanded</td>
<td>72%</td>
<td>2.47</td>
</tr>
<tr>
<td>Minolta</td>
<td>more familiar</td>
<td>limited</td>
<td>48%</td>
<td>2.63</td>
</tr>
<tr>
<td>Minolta</td>
<td>more familiar</td>
<td>expanded</td>
<td>4%</td>
<td>4.40</td>
</tr>
<tr>
<td>Minolta</td>
<td>less familiar</td>
<td>limited</td>
<td>43%</td>
<td>4.04</td>
</tr>
<tr>
<td>Minolta</td>
<td>less familiar</td>
<td>expanded</td>
<td>61%</td>
<td>2.83</td>
</tr>
<tr>
<td>Minolta</td>
<td>less familiar</td>
<td>expanded</td>
<td>57%</td>
<td>3.02</td>
</tr>
</tbody>
</table>

*Familiarity* = Relative Familiarity of Competitors; *Inf* = Amount of Available Information

*BE* = Brand Extension; *HQC* = High Quality Competitor; *SQC* = Standard Quality Competitor
APPENDIX

Study One

Limited versus Expanded Information \(^a\) Conditions for: Watches, Cell Phones, Telescopes and Printers respectively

<table>
<thead>
<tr>
<th>Brand</th>
<th>Price (^b)</th>
<th>Quality</th>
<th>Attribute 1 (^c)</th>
<th>Attribute 2</th>
<th>Attribute 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seiko</td>
<td>$115.00</td>
<td>4.1</td>
<td>3 years</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sony (or Samsung) (^d)</td>
<td>$90.00</td>
<td>3.5</td>
<td>2 years</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Casio</td>
<td>$65.00</td>
<td>2.9</td>
<td>1 year</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nextel</td>
<td>$103.00</td>
<td>4.1</td>
<td>4 days</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sony (or Samsung) (^d)</td>
<td>$83.00</td>
<td>3.5</td>
<td>3 days</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Audiovox</td>
<td>$63.00</td>
<td>2.9</td>
<td>2 days</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bushnell</td>
<td>$161.00</td>
<td>4.1</td>
<td>900 mm</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sony (or Samsung) (^d)</td>
<td>$131.00</td>
<td>3.5</td>
<td>700 mm</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tasco</td>
<td>$101.00</td>
<td>2.9</td>
<td>500 mm</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Epson</td>
<td>$161.00</td>
<td>4.1</td>
<td>1440 x 720</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sony (or Samsung) (^d)</td>
<td>$131.00</td>
<td>3.5</td>
<td>1340 x 720</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Canon</td>
<td>$101.00</td>
<td>2.9</td>
<td>1240 x 720</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

\(^a\)Limited information condition only includes brand and price (first two columns) while the expanded information condition includes also three additional attributes (all six columns).

\(^b\)Prices were converted in this table from the local currency (Chilean Pesos) to dollars.

\(^c\)The three additional attributes for each of the four categories are: Watches (Att. 1: duration of guarantee; Att.2: water and shock resistant; Att. 3 black or white face), Cell Phones (Att.1: charge duration; Att.2: voice mail; Att. 3: variety of colors), Telescopes (Att.1: focal distance; Att.2: newtonian reflector; Att.3: aluminum tripod) and Printers (Att. 1: resolution points per cm; Att. 2: color printing; Att.3: scanner)

\(^d\)Parent brand can be either Sony or Samsung

Study Two

Limited versus Expanded Information \(^a\) Conditions for: Scanners, CD Players, Binoculars and Laser Pointers respectively

<table>
<thead>
<tr>
<th>Brand</th>
<th>Price (^b)</th>
<th>Quality</th>
<th>Attribute 1 (^c)</th>
<th>Attribute 2</th>
<th>Attribute 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hewlett Packard</td>
<td>$119.00</td>
<td>4.1</td>
<td>600*2400</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nikon (or Minolta) (^d)</td>
<td>$99.00</td>
<td>3.5</td>
<td>600*1200</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Epson</td>
<td>$79.00</td>
<td>2.9</td>
<td>600*600</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sonor</td>
<td>$95.00</td>
<td>4.1</td>
<td>32</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nikon (or Minolta) (^d)</td>
<td>$75.00</td>
<td>3.5</td>
<td>24</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Pioneer</td>
<td>$55.00</td>
<td>2.9</td>
<td>16</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bushnell</td>
<td>$95.00</td>
<td>4.1</td>
<td>16*32</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nikon (or Minolta) (^d)</td>
<td>$75.00</td>
<td>3.5</td>
<td>12*25</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tasco</td>
<td>$55.00</td>
<td>2.9</td>
<td>8*21</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Acme</td>
<td>$75.00</td>
<td>4.1</td>
<td>600</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Nikon (or Minolta) (^d)</td>
<td>$60.00</td>
<td>3.5</td>
<td>400</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Apollo</td>
<td>$45.00</td>
<td>2.9</td>
<td>200</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

\(^a\)Limited information condition only includes brand and price (first two columns) while the expanded information condition includes also three additional attributes (all six columns).

\(^b\)Prices were converted in this table from the local currency (Chilean Pesos) to dollars.

\(^c\)The three additional attributes for each of the four categories are: Scanners (Att. 1: resolution; Att.2: document size/legal; Att. 3 color), CD Players (Att.1: playback hours; Att.2: antiskip system; Att.. 3: headphones), Binoculars (Att.1: zoom; Att.2: autofocus; Att.3: compact size ) and Laser Pointers (Att. 1: maximum projection in meters; Att. 2: battery life/5 hours Att.3; silver color)

\(^d\)Parent brand can be either Nikon or Minolta


Consumer Perspectives of Brand Extension Effects: An Empirical Analysis of Buying Decision Patterns

Dr. Rajagopal, Monterrey Institute of Technology and Higher Education, ITESM, Mexico

EXTENDED ABSTRACT

Information inflow on brands and outflow through interpersonal communication may act as a device to coordinate consumer expectations of the purchasing decisions of other consumers in markets with consumption externalities. The paper attempts to emphasize the relationship between empirical and theoretical considerations in the information analysis of brand extensions on consumer behavior. Broadly, the study focuses on analysis at the individual or micro-level and attempts to derive implications towards buying decisions on the extended brands analyzing the aggregate relationships.

Theoretical Motivation

The accessibility-diagnosticity model explains that any factor that increases the accessibility of an input is also expected to increase the likelihood with which that input will be used for the judgment. Therefore, in the brand extension context, temporal proximity between information about brand extension and family brand evaluation is likely to result in a disproportionate influence of the activated or accessible cognition (i.e., extension information) on the judgment (i.e., family brand evaluation) made shortly after its activation. The review of previous literature on brand extension effects indicates that dilution/enhancement effects generally emerge in the presence of highly accessible extension information (Lane and Jacobson 1997; Loken and John 1993; Milberg et al. 1997). Milberg et al. (1997) examined in his study the negative feedback effects, subjects rated the family brand immediately after exposure to information about the extension, making extension information highly accessible at the time when family brand evaluations were assessed. Lane and Jacobson (1997), also focused on negative feedback effects, found dilution effects in a study where extension evaluations took place immediately prior to brand evaluations, making the extension information more accessible. Loken and John (1993) in one of their research studies raised issues about comprehension of target attributes after reading negative information about the extension. The negative information analysis often leads to the systemic non-participation with the brands. Willingness to pay, which can be computed only in equilibrium, will reflect, besides private valuations, preemptive incentives stemming from the desire to minimize the negative externalities.

Study Design

The study was conducted in an empirical design with the sample of 145 consumers in Mexico City addressing to over 40 consumer brands available in different categories of markets. The respondents belonged to the processed food products category and cosmetics. Respondents were organized into small groups and were randomly assigned to conditions in a 2 (extension category: close, cosmetics) x 2 (information: positive, negative) between-subjects design.

The questionnaire contained a scenario describing the experience of a company with a new product extension. Most brands are expected to perform well in manufacturing products that are close to their current product offerings. Hence, not only high quality brands are expected to perform well most of the time, but low or mediocre quality brands also perform well at times. Consequently, positive information about a close extension is not very indicative of the family brand quality. However, negative information about a close extension clearly signals a low quality brand. Therefore,

H1: In the domain of close extensions, negative information is likely to be rated as more diagnostic than positive information.

H2: In the domain of far extensions, positive information is likely to be rated as more diagnostic than negative information.

In view of critically examining some of the existing contributions made to the literature, the paper addresses as when and why feedback effects are likely to vary across different extension categories.

Findings and Discussion

Brand choice models implicitly assume that consumers incorporate all relevant marketing information such as price, display, and feature for key brands on each purchase occasion. In the context of brand extensions, information about the extension will be highly accessible when consumers are asked to report their evaluation of the family brand immediately after reading the extension information. Under such conditions, a highly accessible negative (positive) extension is expected to lead to a dilution (enhancement) effect regardless of product category as observed by past studies in this area (Loken and John 1993; Milberg et al. 1997). This is because highly accessible information about a new extension is likely to be sufficient for making a judgment about the family brand. It is also possible that the accessibility of the information may influence its perceived diagnosticity. Consumers may perceive the extension information to be more diagnostic if it is highly accessible. In any case, extension information is likely to affect family brand evaluations, regardless of extension category, when it is highly accessible. The information about the extension will not be highly accessible or dominant when consumers report their evaluation of the family brand, at a later point in time. In such a situation, extension information will be used in the brand evaluation based on its diagnosticity.

The ANOVA on the diagnosticity index for the process food sector brands revealed a significant interaction between information and extension category [F(1, 86)=24.07, p<.001]. Consistent with Hypothesis 1, the simple-effects test revealed that negative (vs. positive) information was rated as more diagnostic for close extensions [M's=0.63 vs. 0.57; F(1, 86)=7.61 p<.01]. In contrast, as predicted by Hypothesis 2, positive (vs. negative) information was rated as more diagnostic for far extensions [M's=0.69 vs. 0.57; F(1, 86)=17.42, p<.001]. Similar findings were obtained with the cosmetics products brands. Specifically, an ANOVA on the diagnosticity index yielded a significant information per extension category interaction [F(1, 124)=20.03, p<.001].

1Author acknowledges the support provided by Ananya Rajagopal, student of Industrial Systems and Engineering of ITESM, Mexico City Campus in data collection, translation of questionnaires in Spanish language, computing the data and developing Tables in this study. I express my sincere thanks to anonymous referees for their comments and guiding the improvements in the paper.

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As expected, the simple-effects test indicated that negative (vs. positive) information was rated as more diagnostic for close extensions \( \{M's=0.63\ vs.\ 0.59; F(1, 124)=6.36, p<.05\} \), while subjects rated positive (vs. negative) information as more diagnostic for far extensions \( \{M's=0.63\ vs.\ 0.57; F(1, 124)=13.13, p<.001\} \). The data was analyzed using a 2 (extension category: close vs. far) x 2 (information: positive vs. negative) between-subjects ANOVA. The coefficient of correlations for the close brand extensions and positive information lead to higher degree as compared to any other relationships. It was expected that, consistent with past research on the negativity effect, negative (vs positive) information would be perceived as more diagnostic in the domain of close extensions (H1); however, positivistic effect (positive perceived as more diagnostic than negative) would be obtained for far extensions (H2). The findings of the study in general establish the hypotheses framed in the paper.

**Conclusion**

This pattern of results calls for an interaction between extension category and information. There is likelihood that information may be used as a basis of response to a subsequently measured construct and determined by (i) the accessibility of the input in memory, (ii) the perceived diagnosticity of the input for the judgment, and (iii) the accessibility of other inputs in memory. The extension information is highly accessible; it will influence family brand evaluations, irrespective of the brand extension’s diagnosticity. The analysis reveals that the correlation of brand extension variables-positive close, positive far, negative close and negative far with buying decisions on the extended brands showed lower degree of association. It may be stated in view of the results that the ambience of market outlet does not have a strong influencing factor over the information diagnostics for the consumers to make decisions on buying the extended brands.

**References**


Simulations as Possessions and Their Role in Self Extension
Shakeel Siddiqui, Dublin City University, Ireland
Darach Turley, Dublin City University, Ireland

EXTENDED ABSTRACT
It has been suggested that contemporary consumption is characterized more by an electronically conducted flow than by embedded heavy commodities. Widespread experimentation with consumption of technology has resulted in creation of newer modes of consumption and possession. Computer Mediated Environment (CME) technologies have lately become a representative form of technological consumption. It can be argued that every moment spent in a mediated environment entails another given up in the real world; each act of consumption in a CME replaces an act of consumption in the real world; each simulated consumable replaces a tangible one.

As technology is changing forms and modes of consumption, objects of possession and collection are being de-materialized through simulated replacements. Examples of such replacements are letters by Email, cards by e-cards, paperback by e-books, newspaper by online versions, printed photographs to electronic format and virtual musical instruments in lieu of the real. While only some of these simulations can be qualified as virtual possessions on a par with our understanding of material possessions, all are nonetheless replacements of tangible possessions; and as such comport the potential and promise of self-extension. Given that a consumer’s sense of self is in part predicated upon relationships with possessions of material objects, we ask how the dematerialization integral to new technologies such as CME alters this self-definition process. This paper seeks to establish parallels and connections between Baudrillard’s (1983) prophesy of simulacra becoming reference of the real in an age of hyperreality, and Belk’s (1988a) original formulation of the extended self.

This ethnographic study, on the enquiry that if and how self-extension is affected by simulated virtual possessions in a CME, is situated in Ireland. Seven simulated replacements of the tangible represent the main focus of findings. These are e-mail, e-cards, e-books and journals, pictures/photographs, newspapers, audio/video files and musical instruments.

Findings: Our findings are structured around the premise that replacement of tangible possession by simulations is indicative of an ongoing trend rather than a revolutionary upheaval; the fluidity and interchangeability in the way informants make their consumption choices at different times is attributed to this transitional phase. The study notes that this context-dependent switching may result in simultaneous employment of both tangible as well as hyperreal modes of consumption and possession. We also find that although the form, nature and function of the tangible may dictate if it can be replaced by a simulation, the uncertainty as well as doubts on longevity of simulation technologies may also act as barriers to this transition.

Images and signs: Although images are easiest to replace with simulations in a CME, we find that even technologically adept consumers may still want to keep a printout as well as multiple copies of their pictures. We note that concerns with ownership and security of simulated images perhaps echo the control aspect of possessions. We also argue that simulated possessions lose their social visibility, and thus these intangibles, visible to the individual alone, alter the state of possession, which effectively alters an individual’s self-definition.

Books: We note that where in case of real books the reasons for possessions may be emotional (pleasure, pride, aesthetics, value), they were purely functional for e-books (cost, ease of use, updates), and find that many connoisseurs of the real continue to seek refuge in the ink and paper versions.

Collections (pictures, letters, songs, cards): Self-extension through possessions is often manifested in collections. Consistent with our argument presented earlier that consumers tend to experiment with the consumption of technology, we find that many use CME as a platform for collection, parallel to or in addition to the other platforms of collection in their lives. Personal letters or Newspaper clippings with personal ties have always been collectible, and many of us may have a clip file containing such mementos of the past. With the advent of new media technologies cyberspace has become the publishing house of the ‘newsworthy’. In the cyberspace, ‘we are what we post’, (Schau and Gilly 2003), however, for some of our informants such self-presentation in cyberspace had little collectible value.

Music and its collection have also been established means of creating a profound sense of self. Because of its seamless geographically unbounded interconnectivity, CME has lately become a potent platform for music collection and consumption. Since the shape of music collections have been changing periodically, we contend that the shape and form an individual’s music collection takes can represent his age.

We find that collections in both simulated and tangible forms act as manifestations of identity, and as a part of one’s environment (physical as well as CME) act as sources of meanings, helping create a sense of past. However, we contend that intangible collections—such as pictures, letters, songs and cards on a hard disk—present a sense of past which is qualitatively different from the tangible collections.

Dilemmas of Virtual Possessions: Given their special characteristics, virtual possessions may become a source of many dilemmas for the consumer. We find our informants extremely wary of the fact that constant changes to the technological environment may limit continued control and access to their virtual possessions. Their beliefs and assumptions that such changes in technological order may necessitate forced and untimely disposition of a virtual possession created a constant dilemma. Further, since many self-extend- ing possessions operate as social and cultural exhibits, we contend that any dematerialization which alters the visibility of a possession also affects its role in self-extension. And finally, because simulations can be duplicated by electronic means, they appear to command lesser degree of authenticity.

Conclusion
One may argue that dematerialization in terms of consumption and possession indicates gradual abdication of materialistic values in contemporary societies, but a sizeable body of literature supports the contrary view that any self extension through possessions is almost always materially oriented and external in nature.

Objectification assumes a central role in the whole process of creation and maintenance of the construct of ‘possession’. We find that even though many of our informants lived and interacted in the disembodied domain of the cyberspace, they were still conditioned...
to exist and respond to a material world where constructs like possessions, no matter how abstract, still need tangible foundations. Simulations in CME might replace the real and tangible, but they do not completely replace the tangible possessions in terms of value and association yet.

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McLarney C. and E Chung (1999), ‘Post-materialism’s ‘silent revolution’ in consumer research’, *Marketing Intelligence and Planning*, 17/6, pp 288-297
ABSTRACT

The focus of this study is the Brazilian gay (male homosexuals) subculture. Our objective is to explore the changes that occur in the way gays interact with the world of products during the process of “coming out of the closet”. This analysis is important to understand the construction of the homosexual identity. Ten long in-depth interviews were carried out with gays residing in Rio de Janeiro between October 2004 and January 2005. The results suggest that products and services are actively used by gays in order to deny, camouflage, and reinforce their homosexual identity.

INTRODUCTION

McCraken (2003) sees culture as ideas and activities through which groups socially construct their own realities. The study of how individuals build these meanings through the purchase and ownership of goods has become a crucial point in understanding the consumer, particularly when they constitute cultural subgroups. Still according to McCracken (2003:11), groups who live at the margin of society such as gays are “meaning providers” and become trendsetters for the dominant culture. This is reflected in products, music, the arts, and most of all, fashion.

These groups have been the target of several academic studies, which intended to investigate the gay market (Branchik 2002, Fugate 1993; Haslop et. al, 1998, Walters and Moore 2002) and the gay consumer (Nunan 2003, Kates 2002, 2004). Thus, the object of this research is to investigate the way gays relate to products and brands. Based on the works of Kates (2002, 2004), we assumed this group could be observed and described as a consuming subculture. Thus, the changes that took place in the consuming habits of gays during the process of “coming out of the closet” (or simply “coming out”, i.e., assume a homosexual identity) were observed. We consider that the whole process of coming out as a rite of passage. Schouten (1991) argues that, in rites of passage, products and services are transformed into ritualistic consuming artifacts, impregnated with great symbolic value.

Researchers in the consumer behavior area have displayed a special interest in investigating how brands affect the process of social construction of subcultures. For example, Schouten and McAlexander (1995) investigated the group of Harley-Davidson owners using an ethnographical approach. The term subculture can be understood as the values, symbols and meanings of a group as opposed to a larger culture (Morgan 2000). In this study we will follow Kates (1998) and Nunan (2003), who define subculture as an ideology coherently articulated on an set of meanings, beliefs and behaviors, in addition to being a complex form of shared social interaction and participation.

THE GAY MARKET

Some studies argue about the existence (Branchik 2002; Haslop 1998,Peñaloza 1996; Kates 2002, 2004) or not (Fugate 1993) of the gay market. Some works have related the development of the gay community to the process of urbanization and the development of great metropolitan areas, more open-minded about sexuality (Aldrich 2004, Branchik 2002).

Kates (2002) investigated how gays use consumption to define the boundaries of their subculture, the product meanings for the group, and how their members use consumption practices to be recognized among themselves and differentiate themselves from the dominant straight culture. This study has shown that affiliation to the gay subculture was associated to a social identity and to consumption practices. Other studies confirm the ritual (Haslop 1998) or political dimension (Peñaloza 1996) in the use of products and services. On the other hand, Fugate’s study (1993, p. 51) indicates some unwillingness from the mainstream business to position their products to the gay market, resulting from fear that brands associate their image to this segment.

Summarizing, the gay market has developed side by side with the gay community, influenced by gay’s need for identification among themselves. This identification was often based in the use of some specific products and brands, which became associated with the group. Social movements related to homosexual causes went on reinforcing the constitution of the gay community.

CONSTRUCTION OF THE HOMOSEXUAL IDENTITY

A crucial point in the life of the homosexual is the process of coming out of the closet and, consequently, the construction of a homosexual identity. It is necessary to raise some issues before analyzing the process of construction of a homosexual identity. The stigma that involves homosexuality affects both the formation and expression of the homosexual identity, and the formation of the homosexual identity involves a gradual acceptance of homosexual “label” to oneself.

To Hall (2004), the post-modern subject assumes different identities in different moments, identities that are dynamic and constantly moving. So, according to the author, as systems of cultural significance and representation multiply, we are faced with different possible identities.

In the present work, we define identity as an organized group of characteristics of an individual representing his self in respect to a specific social situation (imaginary or real). So, identity is about the insertion of the individual into a social category (as of race or sexual orientation). When displaced from the social situation that activates the identity, it becomes latent (Cass 1984, Nunan 2003, Troiden 1984, 1989).

Identity is a label which people attach to them, and that represents the self in a social situation (Nunan 2003, Troiden 1984). An individual who ranks himself in the homosexual category activates this homosexual identity in specific social activities such as a gay parade, and leaves it dormant in other situations such as when working in a predominantly straight environment. This way, the homosexual identity is only one of several identities that compose the individual’s self-concept. The homosexual identity refers to the self-perception of an individual as a homosexual relatively to a social situation (Cass 1984, Troiden 1984).

Several theories on identity formation have been proposed in the last decades, many of them proposing a model of “stages” through which the subject would pass along the construction of the
COMING OUT OF THE CLOSET: A RITE OF PASSAGE

The coming out of the closet can be analyzed as a rite of passage by which the individuals go through the process of constructing a homosexual identity. It is a critical process in a gay’s life, in which he learns about the values and behaviors of the gay culture and assumes a homosexual identity for himself and others (Cass 1984, Kates 1998, Nunan, 2003, Turner 1974, Troiden 1989). According to Trevisan (2000), the individual chooses not only to desire homosexuality in a private sense, but also to become socially homosexual. Note that while one cannot choose to be or not homosexual (Cass 1984, Troiden, 1989), the decision of coming out and adopt a homosexual identity is a matter of choice (Kates 1998, Nunan, 2003).

The term rite of passage, defined by the anthropologist Van Gennep (1969, apud Turner 1974), relates to the events that happen when an individual passes from one present situation or structured social position to another situation or position still unknown. Throughout this transition, the individual is in a state of communitas, an intermediary and undefined social position, and there remains while he does not assimilate his new social condition, i.e., while he does not assume his new identity, behavior and roles inherent to his new social position.

According to Van Gennep (1969, apud Turner, 1974), the rite of passage is characterized by three distinct stages, namely: separation (the removal from the previous fixed point in the social structure); margin or liminality (the moment characterized by an ambiguity in which the individual remains on a cultural dominion with few attributes from the past and the future); and reaggregation (the reinsertion of the individual in a position other, in which attributes belonging to a certain system are awarded to him). These stages can be compared to the process of coming out as proposed by Troiden (1989) and previously mentioned in this work. Sensitization is analogous to the separation process, confusion is similar to the margin stage, and the supposed identity and commitment could be compared to the reaggregation stage.

In the present study, we consider that the process of coming out of the closet, as a rite of passage, consists of three stages. It is important to stress that this process reflects the psychological development of a social identity (the homosexual identity in this case), a growing acceptance of the homosexual identity as part of the individual’s self-opinion and finally as a progressive process of revelation of a stigmatized social status (gay) to the various publics: friends, family, other gays and heterosexuals. According to some authors, this process is closely related with the change in the individual’s pattern of consuming (Kates 2003, Nunan 2003, Trevisan 2000, Troiden, 1989).

Kates (1989, 2002) shows in his study that the act of consuming presents variations between these stages. That is, the products consumed and the experiences lived in this stage play an important role in creating and maintaining a homosexual identity.

METHODOLOGY

We have conducted in-depth long interviews with a semi-structured script (McCranke 1988) with ten male homosexuals from Rio de Janeiro. Informants were recruited with snowball sampling technique. This technique was used by Kates (1998) and Troiden (1989) in their studies of homosexual groups.

The interviews were digitally recorded, and later transcribed. The work on the transcriptions and recordings consisted on identifying categories important to the understanding of the structures underlying the speech. This process led the authors not only to insights on the discourses, but also to the rereading of the theory. At every interview, a new categorization and rereading of the literature was carried out, in a circular process. This way, one interview fueled another, which generated new insights, which fueled the interviews to come. We discontinued the process the moment the interviews no longer supplied any new information.

Even considering the methodological limitations, the insights generated helped in balancing its shortcomings. Even so, it is worthwhile to mention the possible methodological flaws in this work. The chosen research method requires that the researcher had a significant interpretative capacity to approach the contents that were observed. In fact, the researcher is never completely naïf in the field, and so, his view is inevitably directed towards what he considers relevant. In addition, it became clear in some interviews that when the informant is very aware of himself, he tends to rationalize their answers and, therefore, to mask the object of analysis of this research.

ANALYSIS OF THE INTERVIEWS

The categories presented as follows emerged spontaneously in the interviews. We explored how the subjects used the various cultural meanings of the world of products on the discovery and acceptance of the homosexuality. Next, we will present the most striking categories that were identified, organized in accordance with the stage in the process of coming out of the closet.

Discovery

The first stage in the process of coming out of the closet is what we call discovery. It refers to the moment in the life of an individual that begins with a feeling of discomfort and ends in becoming aware of his homosexual condition. Four categories appeared in this stage: conflict, denial, search for information and ambivalence.

Conflict: the first point that appears recurrently in the discourses is the internal conflicts generated by the discovery of the possibility of homosexuality. Almost all informants used similar terms and expressions to address the conflict that characterizes this moment.

“I thought that it was not a natural thing, you understand?”
One of the forms used to negotiate internally the conflict generated by this feeling of displacement was to generalize the homosexual condition to the rest of the people in the world. One of the participants even said, “deep down, everyone is always gay”. This tendency to generalization will give place, in the future, to a deep awareness of the difference between the homosexual and heterosexual groups. However, observe, what rules this stage is the feeling of displacement, very often not completely identified. Even before the subjects imagined themselves as homosexuals, they already felt excluded, different, under pressure to dominate and control their impulses:

“I was never very interested in girls (...) I was forced to remain calm (...) because the more freely I expressed, more I would place my position in the family at stake.”

**Denial:** The conflict between a discourse that deals with genders in a binary fashion (male/female) and that proper to the homosexual condition, considered as deviant by Kates (1998, 2002), forces the individuals to stumble upon the negative gay stereotype. According to this stereotype, “to be gay” would be related to feminine behaviors or to use products related to the feminine world. See the report below:

“I heard that to be queer, you had to have unusual manners, you had to wear skimpy clothes, you had to have a kind of pre-established stereotypes and that used to shock me.”

As a reaction to this view, the subjects use products, especially fashion as an instrument of dramatization (Miranda 2001) to deny this possible homosexuality and reinforce masculinity. After all, the exposure of deviant behavior can generate punishment (Goode 1990). It is interesting to note that the informants present a negative aspect of themselves, and frequently use words that mean punishment or prison, “locked”, “imprisoned” and “suffocated”. It is interesting to note that one of the forms of punishment can come from the participant himself, i.e., there is a self-punishment behavior. See the passage below:

“I didn’t accept myself (...) While I did not assume the fact that I was gay, I was very tacky. So I bought my tacky clothes in the gaudiest store I could find, you know, pleated pants...”

The term “tacky”, or “cafona” in Brazilian Portuguese, is used several times during the course of this interview. It is interesting to note an emic term which emerged in the interviews: all informants refer to the heterosexuals as “gaudy”, or “careta” in Brazilian Portuguese, and the terms gaudy and tacky (or cafona and careta), in spite of not being synonyms, are very compatible in Brazil. The product that was mentioned, pleated pants, is typically related to the heterosexual world, is a strong significant to heterosexuality. That is, the self-punishment sometimes typical of this stage consisted in disguising oneself with the clothing of the more socially acceptable gender orientation.

Search for information: The suspicion of homosexuality and the risk of being characterized accordingly with the gay stereotype lead the informants to search for information on issues connected to homosexuality. Several products such as books, magazines, films and web sites in the Internet are consumed in order to understand and overcome this moment’s conflicts. This search for information is a form of bringing down the aforementioned negative stereotype.

“I always sought to understand what was happening, why I was gay. Then I searched in encyclopedias, and then there were some magazines about sex life in the newsstands, which I bought and collected, you know. I read a lot. I was reading everything with the word ‘homosexuality’ in it just to know what it was. Because then I began to realize that it is not only about making love with another guy, it is a broad range of behaviors and tastes and preferences that have nothing to do with an archetype people hold somehow...”

Products, therefore, are not only part of the imaginary of this group and help in the construction of their identity. In some cases, products are direct and literal carriers of the group’s ideals.

**Assimilation:**

This moment is marked by identification with the group and construction of a homosexual identity still restricted to the gay group, and only revealed to its members. Stories related to this moment are rich, eventful, and full of insightful information: the first contacts with the gay culture, the assimilation of gay standards, the sheer valuation of aesthetics, the intensive use of codes for both reinforcement and camouflage of the gay identity.

**Between two worlds:** Informants vividly describe memories of the moment when they lived between two worlds. In this manner, they were influenced on one hand by the standards of the heterosexual world they were still part of, and on the other by those of the gay world they were having the first contact with. According to Turner (1974), individuals enter a borderline state due to the absence of a mature identity or a reference of their social position. Feelings such as fear of being discovered, curiosity and ambiguity dominate the reports at this point.

“In the beginning you are scared stiff of everything. You don’t want anyone to know, you don’t want them to see you on the street with a man, you are doing something and it is wrong, then you think everyone is watching.”

This feeling of ambivalence and borderline extends to the social relationships to such an extent that relationships with groups of friends undergo a clear period of redefinition. With new friends, it is natural that the habits of consuming goods and services also change. See the passage below:

“(...) Then I went out with my straight friends, and later, when it was already morning, instead of going home, I’d go to the door of Le Boy and after a while I started to go only to Le Boy, and I sort of found my new friends.”

At this moment it is possible, in fact, to see the first clear references to the use of products as a significant of the homosexual condition, but still mixed with reports of attempts at disguise. The strategies of both identification and differentiation are completely based on a syntax attributed by the members of the group to products: clothes must reveal the body, the cut looks more informal and leisure-like, tennis shoes, jeans. Clothes identified with the straight world are also identified with work, not leisure.

First contacts: According to Haslop et al (1998) the gay venues such as bars, nightclubs or a gay spots on the beach are proper locations for expressing the gay subculture. See the following passage:
One day a gay friend called me to go out. He said: I’m taking you out to a place: (...) Beach, Ipanema, Farme de Amoedo! (laughter) I found myself, it is my world!"

This form of expression also occurs through consumption of products. As we will see in the discussion of another category further ahead, several brands were mentioned by the informants as strong symbols of the gay condition. But, at this moment, the kind of consumption that seems more present is that of space dedicated to this group, i.e., a service.

"The first time I went to a gay party, I felt like I was free, you see? I felt I was in my place, not like in the street where you can’t hug, you can’t kiss. Nowadays, I practically only hang out on gay spots, 90% are gay spots.”

One of the most relevant moments observed in the interviews are the first contacts with gay environments. According to Trolden (1989), these first contacts with gay bars and nightclubs seem to determine the cultural assimilation and construction of the homosexual identity. The feeling of identification and freedom to go to a gay environment is present in all discourses. This can be clearly perceived in the report of one of informant who said he felt “happiness, I think what I felt at the time was this thing with independence, that I have a space”.

Imitation: After his first contacts with the gay community, the subjects enter a stage of assimilation of the gay culture standards. This process of cultural assimilation is described by Van Gennep (1969, apud Turner 1974) as transitional, in which the individual passes through experiences that help him finally incorporate a new status. According to Kates (2002), the first outings to gay environments comprise an important rite of passage, so that the gay can acquire a new status after a period of separation and liminarity. During this period, the construction of the homosexual identity actually begins.

Here, the presence of brands is fundamental. The brands provide a code required to identify the members of the group. See the presence of brands and leisure venues on the following passage.

"If you live in the gay world, you end up focusing in the labels people wear, you want to be accepted, then you end up looking for expensive labels, and you end up doing your worst for you to feel like inside the group, because all the people seek to be on a same standard of consumption, or hang out in the same place, the best, the hippest. I'll do my worst to find a way to go, or such is the clothes people are wearing, so I'll buy”

It is not only the brand name that is important, but also the price of this brand. In truth, the high price of these brands is mentioned in several reports. In one occasion, one informant said he would never be able to pay more than 800 Reais (US$300) for a pair of Diesel jeans. The same informant mentioned the name Diesel more than sixteen times in the space of eighty minutes. The fascination for the designer brands is enormous. The symbology of products and brands is the subject of the next topic.

Product symbolism: An intense process of assimilation of cultural standards, mostly of aesthetical nature, happened in all informants’ lives at the beginning of their socialization with the gay group. At this moment, products that have their symbolic meanings associated to gays are seen by the community as “out of the closet” (Kates 2002), and usually become positive references, captivating this public. See the following report:

"I like to stay in gay hotels when I travel. (...) I like the sensation of having my breakfast with my boyfriend, and if I want to kiss him, if I want to touch his hand (...), things we don’t do anywhere else because they are embarrassing to other people.”

At this stage, we observed an almost exaggerated importance given to fashion labels merchandised in the Brazilian market such as Osklen, Triton, Forum, Diesel, Puma, Foche, or Yes Brasil. We also observe that excesses may happen: some of the informants say they buy clothes to look like gays. Excesses apart, all informants mention they dress in line with the gay group. See the following report:

"the gay place is more “fashion”, the trendiest shirt, more colorful, also a more fashionable pair of tennis shoes, a pair of jeans a bit tighter.”

Therefore, it is not only the category of products, brands, or places that are associated to the gay group. The way these elements are used also gain their own grammar, And which must be known not only by members of the group, but also by companies that want to reach this group.

The relationship between quality and price goes way beyond the boundaries that are usually expected. Money buys escape from the conventional, and this provides pleasure. Anti-conventionalism is expensive. See next:

You’ll hardly ever see a gay wearing his shirt tucked in, shoes matching the belt, understand, you’ll see him with the latest tennis shoes in fashion, a Nike or Puma, an expensive tennis shoe, sometimes not even because it looks good, but also because of the price. An expensive pair of tennis shoes that gives you pleasure in wearing it, if you have a pair of tennis of R$100.00 and another of R$500.00, it is much more pleasing to wear the one costing five hundred. A pair of jeans, bleached pants, with some detail such as large pockets, a tight T-shirt that reveals the body, more colorful, red, yellow, pale blue, understand?

Body and fashion: The aesthetic standard related to the gay culture, mentioned in all interviews, is very uniform across the informants. This standard stresses a cult to the body, valuing of brands, and dressing styles. The influence of the gay culture in the gradual change of consuming habits is quite evident and ubiquitous on the interviews. Many informants reported that their new companies motivated them to look for a gym, use cosmetics, and buy specific types of clothes.

"I think that griffes, expensive clothes, are gay symbols because gays usually need to buy expensive clothes, labels and such. I also think the exacerbated cult to the body is a gay symbol, I’m not saying that straights don’t have such behavior, but I think that it is typical of gays, take my word.”

There is a clear interaction between body and clothing aesthetics, as if one were the extension of the other. There is some concern in choosing clothes that reveal the body below them, and this affects the perception of the clothes’ quality. The fact that the gay public is more demanding is frequently mentioned, not only concerning tangible products, but also services. All this is part of the “vanity” as a personality trace, positively valued in all interviews. See the passage below:
Clothes for gays are trendy, tighter so as to model the body, and it has something to do with the cult to the body. Vanity makes us keep the body in shape to be able to show it off, to look attractive. (...) The gay likes nice labels, likes to be well dressed, he is vain.

Acceptance:
Some of the informants seem to be in a stage of life where the gay identity is already fully accepted. Such stage is characterized by feelings of tranquility and peace of mind. The analysis seems to suggest that, although aesthetic gay standards are still followed and keep the same symbolic strength, they are no longer followed with such determination. After all, this is an individual with a fully defined homosexual identity. Gay friends are of utmost importance, for they are all from the community, but the fact of belonging to this community is no longer incompatible with the presence as a gay in other non-gay communities. This serenity, endorsed by a stable identity affects consumptions patterns. See the following report:

“(…) I began to feel more confident to close contracts with clients, to look for better jobs and to bargain for a better salary and everything else, (…) and at the end I was consuming more of things that I really wanted.”

Since the constant reinforcement of the gay identity, or the effort of trying to look straight on the work place, are no longer priorities, the use of giraffes loses a bit of its former meaning. The informants in this stage even show an ascetic attitude—even of rejection-relative to gay spots and products. One could even say that there is a reversal of the prior meaning attributed to these spots and products, as they identify the neophytes. Note that this is consistent with what Schouten & MacAlexander (1995) detected among bikers: once group membership is consolidated, members feel free to use the symbols of membership when, where and how they want.

Invisibility: Informants recognize that both the gay world and the gay way of life are seen as an invisible reality to the dominating straight culture. However, they see the gay group and its way of life as trendsetter. This point seems to be consonant with McCracken (2000) when he says that groups responsible for radical changes on the symbolic meaning of products are those who live at the margin of society. The report that follows is very revealing:

“(…) to be gay is to be on the edge, but as a complement to society, I think that the gay is like the swamp in the ecosystem, it is there on the outside, but serves as an important channel for recycling.

It was repeated in the course of all the interviews that gays with a mature identity are capable of identifying other gays, but cannot being identified by heterosexuals. This seems to offer them not only the protection of a code, which is perceived only by insiders, but above all other things, the pride of having their own code. We must recognize that, based in the interviews, this code lies largely in meanings attributed to products and services.

CONCLUSION
The current work had the object of investigating, with an interpretative perspective, how homosexuals residing in Rio de Janeiro relate with products and services during the construction of their homosexual identities. Companies have seen homosexuals as a profitable marketing objective, but do not seem to recognize richer information about their way of life, information that only an interpretative approach of research could provide. The stereotype of the high-class gay with a plentiful bank account and lavish consumption habits can even be true, but is an extremely shallow description of the group. Knowledge on structures related to product meanings can be more useful and useful to the executive interested in investing in this segment. The current work attempted to interpret some of these structures.

First, we corroborate the conclusion of Kates (1998, 2002, 2004): the world of goods and services, in fact, offers to the group an extremely rich code for member identification. This code helps members of the group in constructing their homosexual identities, facilitating the access of these members to services, reducing risks (mainly psycho-social) related to this identity, and differentiating (excluding outsiders).

The relative loss of the power of seduction of the groups and services as symbols is a fact already perceived previously in studies that focused other different cultures, such as in Schouten & MacAlexander (1995) among the owners of Harley-Davidson. Brands are particularly important in the moment “coming out of the closet”, but lose part of their fascination later on. It is, therefore, possible to segment the group in terms of identity construction stage. Stereotypical products or venues might find their public among neophytes, while brands with a longer commitment to the gay community might be more properly directed to mature gays. It is necessary, nevertheless, to develop instruments to evaluate what is a person’s stand in the stages of identity development described in this text. This remains as a suggestion to further studies.

The use of the gay aesthetics must be very careful, since the group members seem to suffer a lot of influence coming from the group itself, but not from the media. They consider themselves as trendsetters: successful labels within the community are usually adopted by heterosexuals later, in a strong movement of interpersonal communication. The group aesthetically closer to the forefront in the habits inspires the adoption of new brands, products and venues by the groups immediately below in innovation. This way, brands adopted by gays can end up being abandoned by the gay group, which goes out in search of something new. They value this condition of innovators. This way, it might not be advisable to adopt the strategies of mass communication when positioning brands for gays.

For future works, we suggest that the same relationships that were the targeted in this work be investigated among different groups of homosexuals. Older men, couples, people from the CDE economic classes, transsexuals, “bears”, the public is extremely diversified, and the characteristics from these different groups can be very distinct.

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ABSTRACT

What is respect? Despite its wide usage across disciplines, the concept of “respect” has received little deliberate attention. This phenomenological study attempts to understand people’s experiences of respect in a university service setting. Analyses of the meaning of respect reveal multiple interrelated themes. Mutual interaction binds together the themes of care, acceptance, responsibility, equality, and achievement. We suggest that respect may be foundational to successful relationships.

INTRODUCTION

Academic authors tend not to dwell on the concept of respect. Few have bothered to find out what respect means to people and whether it might mean different things to the public than it does to academic scholars. None has developed its relevance to marketing.

We explored specific individuals’ experiences of respect in a service context. Through multiple layers of analysis, we learned what respect means to them. Analyses, reflection, and discussion led to the insight that respect is crucially relevant to marketers because it matters to consumers. We concluded that respect is a necessary, but not sufficient, condition for relationships. If marketers want to embrace the relationship-marketing paradigm thoroughly, then we must respect marketplace partners.

RESPECT IN THE LITERATURE

Although respect is a multi-disciplinary concept, the philosophy literature has done the most to develop it. Philosophers agree that there is more than one kind of respect. Recognition respect and appraisal respect represent the main distinction (Darwall 1977; Dillon 2003). Acting appropriately because an object (person) is what it is (a human being) constitutes recognition respect. Evaluating an object’s merits (a person’s skills) as good represents appraisal respect (Darwall 1977). For an extended review of multidisciplinary viewpoints on respect, see Costley, Friend, and Babis (2005).

Both marketing academic and practitioner authors acknowledge the relevance of respect. The marketing literature notes mutual respect as critical for delivering high quality service, customer loyalty, and satisfaction (Gittell 2002). Mutual respect is also a basis for older customers’ selection of financial planners (Pettigrew, Mizerski, and Donovan 2003). Both advice (Bitran and Hoech 1990) and correlation evidence (Winsted 2000) indicate that respect from service providers enhances customers’ satisfaction. When customers are dissatisfied, courtesy and respect in response to their complaints may affect their subsequent word-of-mouth and loyal behavior (Blodgett, Wakefield, and Barnes 1995).

If anything, practitioners are more emphatic than academic scholars that respect is important in relationships with customers. They say that respect is fundamental to business success (e.g., Roberts 2004, Reilly 2002). The only way to keep customers is to get their love, which is impossible without respect (Roberts 2004) – an idea implied by Fournier (1998). Specifically about relationship marketing, Duncan (1997) said that relationships should be about dialogue not monologue and respect is one of five necessary conditions for purposeful dialogue. Furthermore, practitioners profess that customers who feel disrespected will switch (Berry 1996; Dobson 2003; Duncan 1997).

Both academic and practitioner authors use the term colloquially when they say that respect is important. They do not define respect or explore what it means. No one has developed respect as a social-scientific concept, distinguishable from related concepts.

The reported research begins to develop respect conceptually. We studied a few individuals’ experiences of respect in a service setting. With their help, we began to understand what respect means so that we can better comprehend the concept and its relevance to marketer-customer relationships.

METHOD

We took a phenomenological approach to understand the essence and structure of respect in consumers’ everyday lived experiences of services. The meaning and structure of a phenomenon is never simple and is often multi-dimensional and multi-layered. This complexity can be examined through phenomenology (Becker 1992; Thompson, Locander, and Pollio 1989; van Manen 1997).

Using ‘photoelicitation techniques’ (Belk 1998; Heisley and Levy 1991) and phenomenological interviewing (Thompson et al. 1989) we explored how 49 students enrolled in a graduate research methodology course constructed respect in a university service setting and its relevance to their relationships with the university. Consumer research is increasingly using photographs as data (Belk 1998; Holbrook and Kuwahara 1996). From a phenomenological viewpoint, photographs taken by individuals elicit experiential, emotional, and artistic perspectives of their experiences (Harper 2000). Each student independently took at least 12 pictures that depicted or represented their lived experiences of respect and disrespect within the university setting. Participants used these photographs in the phenomenological interviews to achieve deep understanding of the students’ experiences of respect and disrespect.

In small research teams, students interviewed each other on their experiences of respect and disrespect. Interviews were unstructured with each student being asked, “Tell us [the research team] about your experience of respect or disrespect” depicted in each photo. The group probed to obtain an in-depth description and understanding of each experience of respect and disrespect. Probes revolved on what each person thought, felt and did in each experience, but there were also probes to compare their own and others’ experiences. Interviewing of each person lasted between one and 1.5 hrs. Interviews were taped, and when students were not being interviewed, they took detailed notes.

In this paper, we report and discuss the findings from one research team consisting of six students. Phenomenological studies often consist of a small number of participants–six to ten (Morse, 1994). These students came from ethnically diverse cultures of the Far East (Thailand, Indonesia, Taiwan, China and Tibet), and ranged in age from 28-39. All six participants were in New Zealand (NZ) for the specific purpose of studying Marketing and International Management at the graduate level, and had been in NZ between 1 1/2 and 4 years. They shared Eastern perspectives and values, but varied in future goals as noted in an earlier course exercise.

In the first of two analysis stages, the six students analyzed their interviews during their course work. Due to time constraints,
they each crudely transcribed the audiotape of themselves being interviewed. Reflecting on their own interview data, they wrote captions that portrayed the key meanings of respect or disrespect for each of their own photos. They used van Manen’s (1997, 92) wholistic approach, “What sententious phrase may capture the fundamental meaning or main significance of the text as a whole?” to guide them in this process. Captions help contextualize the images (Bourdieu 1990 as cited in Belk 1998), thus ‘condensing’ the phenomenological data (Kvale 1996). Group members then collectively analyzed captions and interview data using van Manen (1997, 92) selective or highlighting approach, “What statement(s) or phrase(s) seem particularly essential or revealing about the phenomenon or experience being described?” to create themes of the meanings of respect and disrespect for each student. They also discussed similarities and differences in respectful and disrespectful experiences to help define their meanings and to structure respect. Collective discussion or hermeneutic analysis is helpful in creating deeper insights and understanding (Thompson et al. 1989; van Manen 1997). Once the group distinguished themes for each member, it fitted individual meanings to collectively agreed themes of the essences and structure of respect.

In the second analysis stage, we analyzed both the original interviews and the group members’ analyses. The first research team narrowed their data on respect and disrespect to what they deemed relevant. To get a thorough grasp of this group’s analysis, we went back to the tapes and transcribed them verbatim. We went over their notes as well. We reviewed the themes that the first group had earlier distinguished and furthered their analyses. We confirmed and refined their themes and report the integrated results.

**FINDINGS**

The main themes to emerge were responsibility, care, acceptance, equality, and achievement. These component themes on respect are not mutually exclusive and seem to build on each other. For example, responsibility and care overlapped within single experiences, as did responsibility, care, and acceptance. Moreover, respect and disrespect seem to intertwine. The participants interpret disrespect from the absence of care, responsibility, acceptance, or equality.

The idea of mutual interaction binds the themes together (please see Figure 1). Mutual interaction reflects the relational nature of respect. To feel and exhibit respect, one must consider the other’s perspective. Mutual interaction is closely related to reciprocity—the idea that one receives what one gives and vice versa—sometimes discussed in the literature on relationships. We elaborate on these themes and their relationships.

**Responsibility**

For these participants, responsibility meant righteous behavior, where one considers other people. It means to abide by the written and unwritten rules of society, which incorporate job duties, social norms, and expectations. Participants inferred disrespect in the actions of students who did not follow rules. For instance, Kama got on the squash court ten minutes late because the previous
players did not leave and used up her time. “He disrespected me and all the rules and regulations.” Sunee cited litterbugs as disrespectful. “People who do not follow the rules and regulations that have been set in society. They show disrespect to other people … [they are] supposed to know how to live with other people but they don’t.”

Participants attributed righteous behavior and civility to people’s value for ethics and morality. Kama attributed her squash court experience to the previous players’ sexism, racism, and rudeness. She put words in their mouths, “Oh! You are female, you are Asian.” “I think that if they disrespect me so it’s very rude and impolite and there’s no point for me to respect them,” she said reciprocating their disrespect. Similarly, Sunee attributes the inconsiderate behavior of other students leaving clothes in the residence hall washing machine to their lack of “ethics and morality and they don’t have responsibility. They don’t know how to behave themselves.” She says, “When we have to live with other people, we have to be considerate to other people. Otherwise, it seems that you don’t respect other people.”

It seems partly about following formal rules, as above, and partly about knowing the unwritten social norms. Dawa expresses

"If my bag is missing, who will be responsible?

We are customers. They should think about our situation. … They worry about students maybe stealing their books, but they don’t think about that somebody will steal our bags” (An). Servicescapes reflect policies that can erect barriers to relationships.

Servicescapes can also build relationships by adding convenience. The student health center printed instructions on a form in both Chinese and English, which An thought made the process “quite clear and convenient for students.” This practice made her feel that the health center was “thinking of you and they want to make things easier,” (An).

Conditional conveniences are not respectful, however. As Kama connected the absence of signs at the lake with respect, An associates the presence of signs that restrict conveniences as disrespectful. A sign on a drinking water machine read “Please enjoy a cup of water while you wait (no bottles please),” An had mixed feelings about this. The offer of enjoying a cup of water while you wait is a sign of “politeness,” eliciting positive feelings. However, the condition of “no bottles please” perplexed her. It represented “respect with a condition.” “I feel that I get respect, but still something is missing. [It is] not totally respect.” Generally, Kama and An perceive that it is disrespectful to signpost rules that people should already know—to formalize the unwritten norms of respect.

In summary, considering others is responsible. Responsibility seems to be about putting yourself in the other’s shoes (figuratively) and attending to their needs. Those may be physical needs like safety. They may be intangible needs like recognition. Part of responsibility is a genuine feeling of care in consideration for others.

Care

Although the theme of care ran through the entire responsibility theme, care is more than responsibility. Care for another means being sincerely concerned about the other’s well-being. Participants felt care from others’ responsible behaviors in the university setting. Additional photographs and discussion revealed care independent of responsible behavior.

Care came through as personal regard for individuals as good people. The receptionist who smiles at Sunee, talks actively and volunteered information shows “care.” The International Student Coordinator showed regard for Sunee when she gave information about where she would be, what would happen next, and whether she could be contacted by email. Sunee called the coordinator “a good person” because of the care she felt. In contrast, Sunee’s experience with the checkout counter woman distinctly lacked personal regard. She grumbles, “I felt insulted. I felt sorry for her.
I think that she is quite pathetic,” and Sunee sensed there would be no relationship at all from there on.

Sometimes showing care means treating people as special. Sunee received a card from a friend in the hall of residence to whom she had given a present. This was something that Sunee did not expect and she was surprised. She felt “impressed,” “happy,” and “touched” by this action, which went beyond her expectations. She felt cared for and their relationship became “tighter” than ever before.

Participants also spoke of disregard for others as a lack of care. A student yawning in class makes Arti put herself in her lecturer’s shoes “I would feel very hurt because I try to explain something to others, but they do not listen to me, so it feels that they try to make me feel ashamed and do not respect me.” Similarly, for Arti, two people from the same culture speaking in their own language makes her feel like “they don’t care about me and it seems that I don’t exist in that situation.”

Furthermore, lack of regard can evoke anger, which can rule out the possibility of any relationship. In Kama’s story of the offending squash players who failed to vacate the court on time, she said, “I think that for people who don’t care about people, they just don’t care about people.” This suggests that she thinks these people will never think of anyone but themselves. She is upset by the situation and angry. Her negative emotions peaked and even when they apologized, it did not make her feel any better. “Their ‘sorry’ meant nothing to me. They’re just like air. Their ‘sorry’ didn’t seem sorry to me. …When they said sorry, I didn’t forgive them.”

Although sometimes showing care means treating people as special, sometimes it means treating people the same as others. Care also came through as acceptance, as regard for individuals regardless of who they are. Dawa felt that the university recreation center’s willingness to put up his brochure in the gym showed care for all the members of the recreation center irrespective of nationality or ethnicity. It “shows that the university respects the experiences that different people bring into the university and are not hesitant in putting it up.” For Dawa, this shows that the recreation center cares “not only for” him “but others who want to share experiences.”

In summary, showing care is being responsible. In addition, however, care shows concern for individuals that goes beyond duty. While genuine consideration for others may be part of respect, participants delivered a stronger message that failing to care about others is disrespectful. Caring seems to require accepting others as valuable for who they are. Thus, acceptance overlaps with care and responsibility.

Acceptance

Acceptance means to recognize someone’s existence as a valuable entity. In this sense, it is the opposite of uncaring, which included ignoring others. Acceptance means to respect differences, not discriminate, and allow others a sense of belonging. Dawa viewed that the residence halls make residents feel accepted by having flags of all the residents’ home countries. The university shows “mutual admiration for people, irrespective of caste, creed, sex and therefore I respect them” (Dawa).

Participants also revealed the acceptance theme in their experiences of discrimination. Kama told of her experiences of being excluded from receiving advertisements and coupons. Bars commonly advertise on the university campus by hiring students to hand out flyers and coupons. Kama “is rarely” given these flyers, even though she tries her best to get them by walking closer to the students who are distributing them. “I felt annoyed when they didn’t give it (flyer) to me and it happened again and again and again.” She attributes not receiving the advertisements to being “Asian.” Sunee made the same attribution in her experience with the checkout counter woman. The woman had conversed pleasantly with the European customer before her and then virtually ignored Sunee. These experiences made both participants feel uncomfortable and unaccepted in their new ‘home.’ Kama feels disrespect and that “I don’t belong to that group or their society.” She wants to be accepted as a student and to “belong to that group … because as a human … we want to belong to society, to a group.”

Furthermore, acceptance may include recognizing and believing that others will act responsibly. Kama pointed out that the university, the service provider, accepted students as responsible adults when it ran an advertising campaign with the catchphrase “More bars per student than any other city.” Initially, Kama was uncertain about what it meant, but after pondering it, she thought, “I think that it’s a kind of respect that the university gives to student to make their own choices.”

These participants associated strong emotions with feelings of being accepted. They felt angry when they felt discriminated against for being Asian. They felt annoyed when left out. Signs of acceptance made them feel comfortable and reduced worry. Sunee’s joy from the friendly receptionist lingered for a year before she told the story in this research, suggesting that these emotions may endure for a long time.

Although it intertwines with care and responsibility, the acceptance theme is strong on its own. For one participant, acceptance was the only component of respect. Chan viewed acceptance as essential to mutual interaction. Chan expresses a recurrent theme amongst these Eastern students. He feels respected when he feels accepted and he feels disrespected when ignored. Respect comes from “the feeling of being recognized as the existence of an independent individual,” (Chan). Not to be accepted makes him feel “deprived as a living subject.” Chan is emphatic that when he respects others, they should respect him in return. These experiences appear to elicit profound sensations amongst international students and immigrants. Being accepted gives one a sense of belonging. Accepting honors others.

Equality

Acceptance brings equality. All the experiences of equality fall under the theme of acceptance, yet the participants singled it out. “Respect means to be treated equally, which makes one have a feeling of belonging” (Dawa). Kama’s story about the bar advertisement shows that respect means to be given chances and treated with equality.

The equality theme included the idea of equal access. The university’s disabled ramps impressed Kama, who says, “Respect is to give chances to everybody to have access to university education.” Similarly, An comments on a free five-minute phone in the student union building. “They put a sign: Five minutes. It’s quite good for people. It’s equal, equal to everyone.” Dawa saw equality in the residence hall displays of national flags and the gym’s willingness to display his brochures:

The respect that they show for me is a small example, and in the bigger picture I feel that they would be open to other cultures who have various facets to bring into the university culture. … If people want to portray their culture, they are very open towards it.

These participants illustrated equality using what appear to be visible signifiers of acceptance. The ramps, phone, and flags may represent underlying policies of acceptance.
Achievement

The final theme is achievement. Although it was less pervasive and less entwined with the other themes, achievement seemed a clear part of respect for these participants. Three photographs included the achievement theme and associated it with mutual interaction. Participants respect others for their achievements and receive respect for their own achievements.

These participants felt respect for their achievements from a symbolic gesture from the university. During graduation week, both the university and the city council put up banners congratulating graduating students. Celebrations are held all over town; the city blocks the main road for graduates and staff to parade to the graduation venue. All participants agreed that the banners mark respect for new graduates and they all experienced feelings of being respected for their achievements.

An emeritus professor’s visiting card clearly depicted respect in achievement. The participant respects the professor for his achievements. Even though the professor is retired, “The politics department still calls Prof over to give a couple of lectures ... very knowledgeable and his expertise on religion is overwhelming” (Dawa). Dawa elaborates on his respect for the professor when he says, “the fact that social organizations, university, and communities call him to give lectures means that people have great respect for him.” “I respect him for who he is, for all the experiences that he has gone through and for the knowledge that he has. ... He has made a great contribution to society.”

These participants’ respect for experience and age-related achievements contrasted with the characteristics of status to which New Zealanders show respect. To some extent, their experiences of achievement-oriented respect drew their attention to cultural differences. Arti illustrated disrespect in a photo of a student failing to open the door for her lecturer. “Students are supposed to open the door for .... [the lecturer], because in East, we have to respect older people and lecturers usually are older and have more experiences than us.” Over time, she comprehended a cultural difference and tried to understand the gender perspective. Arti says:

So, the issues in here are more related to the cultural issues on the way we try to respect and treat others. Maybe in the East, I am trying to show the way I respect others, especially to older people, but in here more related to the gender issues between women and men. So, sometimes even though there’s an older person, people do not try to open the door for them because he is a man, so he is the one who supposed to open the door for us as women. So, it’s not about age, but gender.

DISCUSSION

These findings begin to illuminate the concept of respect and its relevance to marketer-customer relationships. For these participants from Eastern cultures, respect means being responsible, caring about others, accepting for whom they are, treating people equally, and recognizing achievement. These themes are not mutually exclusive, but intertwine and seem to build on each other. For these people, responsibility happens when people care for others and the environment. Only when people care can they accept others for who they are and treat them on equal ground irrespective of differences. They also recognize that achievements are important and give respect for the achievements of an individual. Based on the data, we are unable to say whether there is a necessary or even a typical sequence for building respect.

The meanings provided by these participants at least partly coincide with meanings expressed elsewhere. The Oxford English Dictionary (2004) includes notions of connection, relationship, consideration, and deferential regard. Frei and Shaver (2002) note that although authors tend not to explicitly define respect, they use the term to mean ‘acceptance,’ very much as our participants did. Reilly (2002) also says that respect begins with accepting each individual’s innate value. This is much akin to recognition respect as agreed by philosophers (Darwall 1977). Dillon (1992) uses the term care—as did our participants—when speaking of regard for objects’ inherent value. In the education context, scholars have expressed disrespect as rudeness, lack of concern, ignoring students, and unfair treatment (Buttnar 2004), all of which appear in our data (care and equality). Others distinguish respect for accomplishments from respect for moral duties (Frei and Shaver 2002), which corresponds to our achievement and responsibility themes. Like the literature, our data highlights the importance of accepting people for who they are. Thus, our work and others’ ideas support themes of acceptance, care, responsibility, equality, and achievement.

Mutual interaction binds the themes together. Participants continually referred to mutual interaction as they analyzed and discussed each theme. Mutual interaction seems to incorporate the notion of reciprocity. If you do not respect me, there is no reason for me to respect you. This parallels the personal relationship literature that suggests that respect shown tends to generate respect in return (e.g., Frei and Shaver 2002; Lawrence-Lightfoot 2000).

Emotions were a strong part of participants’ explanations of their respect experiences. Emotions arose from both the presence and the absence of respect. Participants expressed negative emotions such as hurt, annoyed, angry, ashamed, and sad when they felt disrespected. When they assessed the other party, they used strong words such as “stupid, pathetic, inconsiderate, and selfish.” They also expressed positive emotions such as touched, impressed, happy, joyful, and delighted when they felt accepted and cared about. These observations link to the literatures on service recovery, forgiveness, and satisfaction. Negative emotions often correspond with customer dissatisfaction, complaints, and exit from service relationships (McCoy and Sparks 2003; Oliver 1997). When treated with respect and genuine concern, customers tend to respond favorably to service recovery efforts (McCoy and Sparks 2003; de Ruiter and Wetzels 2000). Although some hypothesize that apologies can help counter the effects of rudeness (e.g., Goodwin and Ross, 1992), our data suggest that may not always be the case. Respect is actually required in initial encounters and not merely left for recovery strategies.

This study captured perspectives that may be culturally tinted. The participants shared foundations in Eastern religions such as Buddhism, Islam, and Confucianism that probably affect the ways they view human relationships. In fact, they pointed out cultural differences in how people show respect, especially in terms of ‘achievement.’ They pointed out how they respect their elders for their experience and achievements while Westerners often substitute gender for age. The Western authors of this report often would have interpreted the experiences differently than the participants themselves did. We had to remind ourselves of our different cultural backgrounds. For instance, we would never have interpreted not posting signs as a manifestation of respect. Also, we understood the water cooler instruction about no bottles and might not have been offended. The participant interpreted that as a gift with strings attached and was very offended. Frei and Shaver (2002) found no gender or ethnic differences in what respect means to people. Our data do not refute this. However, our data and our interpretations lead us to suspect that different cultures may express respect differently. It will be important and fascinating to explore cultural norms for respect as well as subculture versus dominant culture experiences of respect.
Living with Respect

Our secondary objective was to learn about the relevance of respect to marketing relationships. Although it was secondary, the implications are crucial. Because marketing is defined as the creation of relationships and delivering of value (American Marketing Association 2004), scholars and practitioners need to focus on relational concepts like respect. Contemporary scholars advise marketers to emphasize the process of exchange rather than the objects of exchange (Vargo and Lusch 2004) and to view relationships from the customer’s perspective (Bitran and Hoech 1990). Although recognizing that the consumer is a co-producer of value in marketing relationships (Vargo and Lusch 2004) is worthy, we suggest that recognizing the consumer (as a human being) is preeminently important.

The relational view of marketing will recognize that the process of exchange includes other consumers especially in service settings. Our data show that fellow consumers were very relevant to these participants’ experiences of respect in this service setting. Thus, interplay between consumers and ways marketers can enhance it deserve future research attention.

Our data suggest that before customers can receive value from a service relationship, they must feel valued as individuals. Respect themes like responsibility, acceptance, and care must occur to establish relationships. Our participants talked about the non-existence of relationships in the absence of basic acceptance, caring, and responsibility. Marketers need to respect people not for being consumers but for being fellow human beings.

Furthermore, without reciprocal respect, there will be no relationship. The participants indicated that they respect those who show respect and they withhold respect from those who discriminate, are uncaring, and irresponsible towards them. Our exploration of respect reinforces others’ observations that relationships are joint ventures, characterized by reciprocity (Price and Arnould 1999). These insights also correspond to research on personal relationships, which finds that respect correlates with relationship satisfaction (Frei and Shaver 2002).

Mutual interaction (or mutual respect) may be a precursor to interdependence, which Iacobucci and Hibbard (1999) highlight as a defining characteristic of marketing relationships. To obtain interdependence both parties must strive for a balance of power (Anderson and Narus 1990; Gundlach and Cadotte 1994; Iacobucci and Hibbard 1999; Rinehart and Page 1992), interaction, and interconnection (Iacobucci and Hibbard 1999). Each must be willing to forgo their power showing respect for the other (Bitran and Hoech 1990). Truly to encourage interaction one must view the service process from the customer’s perspective (Bitran and Hoech 1990). Taking the customer’s perspective is caring for the person; showing respect. Respect matters to consumers.

CONCLUSION

In exploring what respect means and its relevance to marketing relationships, we learned that respect comprises multiple interconnected themes. Mutual interaction binds together the themes of care, acceptance, responsibility, equality, and achievement. Secondly, respect is a necessary, but not sufficient, condition for relationships. It goes along with mutual interaction, and reciprocity. Finally, respect is crucially relevant to marketers because it matters to consumers.

Although many give casual nod to respect, we argue that attention should be more than casual. Respect is not just something that “might be nice.” It is not dispensable. Instead, respect is the indispensable lynchpin to relationships. Our data lead us to believe that respect is a necessary, although not sufficient condition for successful relationships—both interpersonal and business relationships. We need to understand respect as a unique concept and understand it in relation to other relational constructs such as trust, love, friendship, loyalty, forgiveness, commitment, power, and dependence.

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Participants:
2000). The study of group stage in comparison to service delivery technologies. To deliver a depend upon the role of the service employee both, front and back growing. Nowadays, the service delivery in Latin America still may more than 50% in the service area and most probably will continue

For instance, the GNP from Mexico, Argentina and Chile depend

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SUMMARY
This roundtable discussed relevant current streams of consumer behavior research in Mexico and Latin America and explored avenues for new research. Research topics discussed included: Distance collaboration groups; satisfaction and services; and counterfeits.

(a) Distance Collaboration Groups
The emergence of Internet, videoconferencing and other means of distance communication allows companies and organizations to have groups developing projects without the need of bringing them together. However, people behave differently when working face to face (in a traditional manner) compared to working without close personal interaction. The understanding of variables that drive distance collaboration groups to high effectiveness and performance is very important to develop interventions to enhance the performance of these groups. Research demonstrates that groups whose members develop personal bindings with their peers (groups cohesiveness) and that are committed to the task (task cohesion) develop shared belief in that the group together can highly perform the tasks they are required to do (collective efficacy) which in turn triggers the effectiveness of the group resulting on high performance (Guzzo and Dickson, 1996). In addition, the “natural” diversity present in virtual groups may represent an opportunity to share different information and to apply a wide range of perspectives when analyzing a specific problem (Maznevski and Chudoba, 2000). The study of group’s effectiveness and efficiency has been conducted mainly in the United States and in Europe. This research can hardly be generalized to other cultures as those in Latin America where the concept of group work and social behavior differs from that in those countries with lower collectivism. Latin-American countries are now into the knowledge economy which implies information technology and knowledge dissemination not just as outputs but as sources of value creation.

(b) Satisfaction and Services
Many Latin American economies are base in the service area. For instance, the GNP from Mexico, Argentina and Chile depend more than 50% in the service area and most probably will continue growing. Nowadays, the service delivery in Latin America still may depend upon the role of the service employee both, front and back stage in comparison to service delivery technologies. To deliver a service in which the customer would feel highly satisfied it may be needed helping and cooperating behaviors among service employees. Organizational Citizenship Behaviors (OCB’s) at the group level in a service context is defined as helping behaviors shared by members of a group that help create or support the environment where the service take place. Research has found that, at the group level some forms of OCB such as altruism and courtesy are modestly related to organizational effectiveness and, specifically, to better service evaluations such as service quality (Paine and Organ, 2000). It is possible that the cultural context itself may encourage or discourage certain OCBs. Collectivistic cultures, such as the Mexican, may encourage behaviors that benefit the group, such that helping behaviors may be expected among members of the group. Future research may be directed to organizational effectiveness with service technologies in comparison to service delivered by employees.

In addition, consumers’ satisfaction with a service or product is his evaluation of what he gets in terms of what he expected. Almost all researchers in the consumer satisfaction field agree that this evaluation is the response of the consumer to the discrepancy between the perceived performance of the product or service and some predefined reference point or expectation (Oliver, 1980). However, in extended service transactions, expectations are not fixed in their pre-purchase state. Instead, they are constructed as consumers proceed through the service process. Therefore, the traditional paradigms on customer satisfaction are inadequate to explain services when these are viewed as the conjoint participation of service provider and consumer. Thus, an interesting area of study would be the incorporation of consumer performance as a determinant of consumer satisfaction for extended service transactions.

(c) Counterfeits
Piracy of a wide range of products has been growing in countries like Mexico, where government control of the manufacturing and import of these goods is not pursued in a rigorous and efficient manner. According to the Mexican Association of Video and Audio Producers, 90 million pirate CDs were sold in the country in 2004 (El Norte, October 10th, 2005). Pressure from the Mexican and transnational companies that legally manufacture and sell their brands should push for adequate legislation and legal actions to protect their brand equity.

The market for illegal copies of luxury products has grown so much as to represent a world-wide serious threat to the legal marketers of these brands. According to Belk’s (1988) concept of extended self, possessions constitute an integral part of a person’s identity. Material objects become clues for definition, to be used by the person, and by others through interaction.

As copies are highly conspicuous products displayed to signal affiliation or differentiation, it is conceivable that the purchasers expect a social reaction towards them as possessors and users of the product. Whether this social reaction occurs according or disaccordance to their expectations will be related to the resulting emotions and their future actions. This topic provides an interesting area of research, specifically with the objective of developing a scale for identifying the propensity level of consumers towards buying counterfeits. From a managerial point of view, the market-
ers of original luxury products could benefit by understanding the needs, goals and the resulting emotions of purchasers of their products, and of illegal copies.

References
ABSTRACT
The aim of this paper is to increase the understanding of how Swedish low-income families get by in a society characterized by affluence but with restricted possibilities to take part of it. The findings imply that consumers with low and insecure income tend to develop different coping strategies to consumption in order to get by in their everyday life. The paper aims also to highlight the need for more interdisciplinary research on consumers who are marginalized, and emphasizes the benefits of integrating theories on consumption and welfare.

INTRODUCTION
Swedish society has during the last decades undergone significant changes. We are witnessing consumers who live in wealth, consuming luxurious products and services and buying expensive cars and lavish handbags. At the same time, we can also observe consumers who cannot afford to consume, but live a more frugal life. The opportunities to consume seem endless by just looking at the abundance of goods for sale. The fact is, however, that free choice does not always exist (e.g., Gabriel and Lang 1995). This is illustrated in the old Swedish proverb “When manna (i.e. semolina) falls from the sky, the poor has no spoon.” Some consumers are not able to take advantage of possibilities when they are offered to them; they lack the necessary resources to be able to take advantage of the offer. Caplowitz (1963) wrote during the 1960s that the poor pay more and shed light on the conditions that the poor had to accept as consumers in the United States. Poverty was common in the Swedish society about 100-150 years ago, but has since then become less prevalent as Sweden has developed into a welfare economy during the 20th century. What is relatively new, however, is that poverty has recently started to increase in Sweden at the same time as affluence is also increasing. This growing polarization between the rich and poor is a world-wide phenomenon, even though the gaps in Sweden are less than in most parts of the world. The most significant change concerning the distribution of income in Sweden during the recent years is, however, not between rich and poor, but the widening gap between the average income level and the poor (SCB 2003). It is a situation where some consumers live in a society characterized by consumption and affluence without being able to take part of it. They are not able to consume the goods and services which a majority of the population see as something naturally to afford.

Considering this development, the lack of consumer research focusing on consumers living with limited resources, is somewhat surprising with the exception of for example, work on homeless (e.g., Hill 1990; Hill & Staney 1991). Little is known about how poor consumers cope in a society where consumption seems to play a larger role in people’s life. The aim of this paper is to increase the understanding of how Swedish low-income families get by in their every-day life. The intention is also to highlight the need for more interdisciplinary research on consumers who are marginalized, emphasizing the benefits of integrating theories on consumption and welfare.

THE CATWALK OF CONSUMPTION
The possibilities to consume have changed dramatically during the last decades. An abundance of goods, Internet, new forms of credit and leasing, more intense and different forms of marketing are just a few examples of different aspects that have changed the landscape of consumption. The Western society can be seen as a consumer culture, a spinning wheel that spins faster and faster, irrespective of you are well-off or poor. Everyone is participating in the catwalk of consumption, exposed and judged based on consumption. It is through our consumption that we show our identity, who we are or who we would like to be. To not be able to afford involves social and psychological risk taking, to be perceived as deviant or poor, a stigmatisation that most people wants to avoid. Whether the basic meaning of consumption has changed from a material or functional meaning to a more symbolic one is subject for discussion (Aldridge 2003; Edwards 2000). Aldridge (2003) questions this and means that a lot of consumer activities are still often based on functionality, for example, a car is bought as a means of transport and not merely as an expression of identity. He emphasizes that a lot of consumer activities are built on routine and rationality rather than the wish to express oneself through symbols and signs to others.

Whether or to what extent consumption can be understood as a dimension of exclusion or inclusion and in which ways consumption creates processes of marginalization in society deserves more attention in research. Research on welfare has not highlighted consumption as an important issue in studies on poverty or social exclusion. Neither has research on consumption in consumer behaviour, sociology, anthropology nor cultural studies sufficiently discussed the meaning of scarce financial resources in relation to consumption or the consumer society. Lodziak (2002) states that cultural studies if anything, has misinterpreted the new consumer society when it comes to inequality. While cultural studies often interprets the new consumption society as a way towards equality in that everyone can choose the style and identity they want, Lodziak emphasizes that this is not the case, but that inequalities instead creates new forms of stratification and marginalization. It needs to be recognized that consumers live under different conditions. While research on poverty has mainly focused on poor consumers in poor countries, we know very little about what it means to live in an affluent consumer society having less financial resources than the majority of the consumers. There is a need for more research on this.

THEORIES ON WELFARE AND CONSUMPTION
We believe that it would be beneficial to integrate theories on welfare with theories on consumption, something that is easier said than done. As a starting point, we would like to identify three theoretical fields dealing with poverty, welfare and consumption. The first field deals with how low-income consumers in a structural meaning are discriminated against in different ways (e.g., Allwitt and Donley 1996; Anderasen 1975; Caplovitz 1963; Hill 2002; Kempson 1996; Kempson et al. 2000). Maybe it is difficult to call this a theoretical field, it is more like a research area that focuses on market relations and has its disciplinary home in economics, marketing and sociology. The theories imply that consumers with scarce financial resources meet specific hindrances and barriers that seem to depend on the “laws of the market”. Examples of hindrances and barriers are aspects like access and price. To live in a poor area often means fewer opportunities to buy cheap and...
poorer conditions when it comes to credits etc. This implies that poor consumers are being ignored; they are not seen as interesting “segments” of customers. This means that poor consumers have to play by the same rules as groups having more established financial situations, for example, a buffer and advantageous credit conditions. The poor consumers are not able to take advantage of all the consumption-related offers that other groups frequently use, for example, special offers or bonus for purchasing large quantities. Also, actors on the market of goods and services take advantage of the poor consumers, for example by offering instalment plans or credits with high costs.

The second theoretical field, theories dealing with welfare, involves concepts such as exclusion, inclusion and marginalization (e.g., Bowring 2000; Gough, Eisenschitz and McCulloch 2006; Kronauer 1998; Lister 2004). They usually have the question of inequality as a main issue. In general, the theories on welfare try to explain how the welfare of different groups is changing in response to changes on, for example, the labour market. Researchers dealing with welfare theories also focus on the relation between institutions/security systems of welfare and vulnerable groups (e.g., Pierson 2001). A main issue here is vulnerable groups and their relation to the established society.

The third theoretical field has been developed in disciplines such as sociology, anthropology, cultural theory, and marketing (e.g., Bauman 1998; Douglas & Isherwood 1996; Featherstone 1991; Firat and Venkatesh 1995; Slater 1997). These theories discuss consumption from several perspectives but we have in this paper mainly concentrated on two issues. One issue deals with the increased significance of consumption in society. Consumption is from this point of view seen as something that is one of the most important activities that individuals use in order to display how they want to be understood by people in their surroundings. Bauman (1998), for example, consider consumption as something more significant than work, as a socioeconomic criterion. A related second issue is the symbolic meaning of consumption. For example, the issue is not merely whether a teenager should have a mobile phone or pair of sneakers, but which mobile phone brand or sneakers brand he/she should have. To view goods and services as something symbolic is of course nothing new, already Veblen (2000/1925) and Simmel (1990) discussed consumption in these terms. A new aspect discussed by the post-modern theories (e.g., Baudrillard 1998; Featherstone 1991) is that the functional or material meaning of consumption has lost its importance. By this they mean that consumption, in the western world, no more is questions of needs and function, all that matters are symbols and wants. Some researchers (e.g., Lodziak 2002; Löffgren 1996; Miller 1998) have criticized this perspective in that they mean that the postmodern view on consumption neglects the everyday- and routine consumption. Post-modern consumer theory also suggests that consumption gives everybody the ability to choose their identity and be, or at least appear, as anybody they want to be. It might be interpreted as if consumption can take us away from the class society or inequality, a view we would like to warn against. Consumption opportunities are not offered to everyone, but limited to people having the resources. A critique of post-modern theories is that they do not treat aspects like inequality or the significance of economic resources as an important issue in the consumption society. On the contrary, they tend to consider consumption and the consumer driven society as a solution to the problems of inequality (e.g., Lodziak 2002). Even though consumption offers opportunities to consume, it needs to be recognized, that these opportunities are limited based on the resources available.

In summary, neither postmodern theories nor other theories on consumption have paid enough attention to groups that tend to be marginalized in society, groups which do not have the financial resources to be part of the consumer society to the same degree as others. An understanding of the consumer society of today requires us to deal with processes such as marginalization and exclusion. We argue that without these perspectives the picture of society tends to be limited and covers only some parts of it.

THE WELFARE DEVELOPMENT IN SWEDEN

In Sweden, a welfare crisis in the 1990s originating from decreased output in the manufacturing industry in combination with high costs to maintain the welfare state institutions, resulted in high unemployment rates and cuts in the social services. This problematic period was a new experience to the Swedish government, since the economic growth and the political reforms (for example, enlarging the state financed social security system in different ways) in the preceding years looked like a never-ending story. In the middle of the 1990s, the financial situation started to recover and the unemployment levels decreased. The following years showed a growing economy and positive development in the labour market. However, in the end of the 20th century it seemed as some group had fallen behind and had not been able to take part in the economic progress made. These groups consisted mainly of immigrants, youths and single parent families. They had problems in getting established on the labour market, facing more temporary and insecure forms of employment, rather often in combination with social assistance (SOU 2001). It was also noticeable that the word poverty was now more frequently used in the political, media as well as science debates (e.g., Halleröd 1991). The meaning of poverty is relative: it means that the income level has to be compared to the majority of the citizens, and that this level is so low that you can not live a life that can be characterized by others as normal. Sweden is a country which during the 20th century developed equality in income distribution. The development of the welfare state in Sweden has almost reached the level that it is, in general, considered strange if you can not buy things that are taken for granted by a majority. This is comparable to Townsend’s (1979:31) definition of poverty:

“...individuals, families and groups in the population can be said to be in poverty when they lack the resources necessary to obtain the type of diet, participate in the activities and have the living conditions which are customary, or at least widely encouraged or approved, in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they, are in effect, excluded from ordinary living patterns, customs and activities.”

Other words than poverty, such as social exclusion and marginalization, have also been used more frequently in Sweden since the end of the 20th century. These words have previously been used in Europe and imply a new form of inequality in that some groups not only have much lower income than the majority, but they tend also to be excluded regarding possibilities in the labour market, housing market, education, and health. This concerns also democratic and political issues in that these groups vote and engage themselves politically in a much lesser degree than other groups (e.g., Bowring 2000; Gough, Eisenschitz & McCulloch 2006; Kronauer 1998; Lister 2004).

DESIGN AND METHOD OF THE STUDY

In total, 26 Swedish families with children were interviewed. In addition a focus group interview was conducted with four families. The study is based on a non-random judgmental sample.
All the families had in common that they have a scarce financial situation. About half of the families were single mothers with a limited establishment on the labour market (for example unemployment, part-time or casual employment). The other half was immigrant families who arrived to Sweden in the end of 1980s or in the beginning of the 1990s. This means that they arrived just before the increased unemployment and have had problems integrating into the Swedish society, both regarding establishment on the labour-, housing- and education market. Also, their income levels were lower than appropriate considering their families previous education and work experience. 20 of the families were chosen from the fact that they during the last ten years had received accommodation allowance. Six were chosen because they had asked for economic help from a church based organization. Finally the four families who participated in the focus group were chosen from an organization for single parents.

It was problematic to get access to the interviewed families. To talk about consumption in relation to money is already a moral sensitive issue in Sweden and it is getting far more sensitive when it comes to a scarce financial situation. The fact that a family, by being a part of the study, is categorized as “poor” can also be a reason to say no. Also, maybe they do not see themselves as poor. Another reason is that most of the households where recipients of means tested allowances. This is a sensitive issue and could be a reason to say no. Some could have considered it as a risk to talk to someone, even a researcher, about their financial situation, and give information that could possibly reach local or federal authorities.

The first author conducted the interviews in the homes of the interviewed families. The parents of the families were interviewed, in most cases the mother and in some families both parents. The interviews took between one to two hours and were later transcribed word by word. The interviewed families were in the beginning of the interview asked to give a picture of their income situation during the last ten years to give the interviewer an idea of their nearest income history. The interview guide was a combination of quantitative questions taken from a national survey about living conditions and qualitative questions about consumption, scarcity, household budget and the situation for the children. The quantitative part included questions about certain goods, services and budgetary strategies and gave a good background picture of the households’ regarding resources and consumption. Most of the families gave quite rich descriptions of how they, for example, bought their TV or how they tried to get information about discounts also for the quantitative questions. They could answer with a short yes or no but chose often to give a more elaborated answer. In the qualitative part, the parents gave a deeper and more complex picture of problems linked to consumption and scarce resources. The parents where asked to give examples and illustrate with episodes. Thereafter followed several questions in order to get a deeper understanding of what these examples and episodes meant to the parents and how they interpreted them. In the analysis process, we searched for patterns in the interview material. First, we tried to identify hindrances and barriers regarding consumption and scarcity. Second, we looked for patterns regarding ways to cope with different situations regarding consumption, parenthood and scarcity.

**FINDINGS**

The result shows structural factors that create specific conditions for low-income consumers as well as different mechanisms restricting these families consumption. Also, prevailing societal norms and codes regarding how households in general and in particular households with scarce financial resources should consume. Furthermore, the results indicate that the families inter-viewed use certain strategies for managing their consumption, in other words how they cope with scarce financial resources in comparison to other groups of households in a consumer society. However, strategy is a complex and problematic concept. In a study on Russian households, Ekström et al. (2003) found that different coping devices were used to deal with changes in food provision and consumption related to economic reforms. A prevalent coping device among those households was to make use of and develop immaterial resources such as knowledge skills and the use of technology. Other coping devices were increased in self-production of, for example, potatoes and vegetables, trying to keep food costs down by changing diet or bartering, and trying to increase income by having additional employment or producing food or other items for selling. Coping is, however, different from strategy. The later implies imply a more goal-oriented behavior (Pennartz and Niehof, 1999). We choose the concept coping strategy even if we think it is problematic. Strategy overemphasizes dimensions as planning and coping focuses too much on a passive behavior. Even the poor can be a very active consumer. The processes that we try to understand are too complex to be included in one concept and it seems like we, as so many others, were captured in the field between agency and structure.

**Structural factors**

There are certain structural factors that create specific conditions for low-income consumers. The results indicate that the interviewed household’s position on the labor, housing and education markets, as well as their possibility to have access to the welfare system, is crucial for their possibilities as consumers. A marginalized or excluded position in these fields tends to hinder and raise barriers for consumption. For example, unemployment can be seen as a marginalized position in the labor market that also hinders consumption. It is therefore of importance to study the mechanisms in the field of consumption as interrelated to those which create processes of inclusion or exclusion in other fields. The study shows for example how unemployment or overdebtness (which is rather usual among low-income households) exclude some families from signing contracts or credit arrangements.

**Mechanisms restricting consumption**

The field of consumption has also its own mechanisms that create various possibilities for different groups. The study shows that households with scarce financial resources mainly face three mechanisms that in different ways restrict their possibilities as consumers. First of all, there are mechanisms excluding households with scarce financial resources from different types of consumption. These mechanisms rule the possibilities of admission. If you do not have certain qualifications, for example, if you are unemployed, you are not allowed access to different types of contracts and credit arrangements. Second, there are mechanisms making consumption more difficult for households with scarce financial resources. These mechanisms govern access to certain kinds of consumption. The possibility of buying goods or services at lower prices can be more difficult if, for example, households do not have access to a car or the Internet. The third mechanism has to do with price. Households with scarce financial resources often have no buffer that they can use in their consumption to save money. Therefore, their consumption is often more expensive than that of other households in that they cannot take advantage of quantity discounts, sales, good quality (for example clothes, shoes and goods of better durability), and are often forced to make expensive credit arrangements when buying durable goods.
Dominating norms

Another issue related to norms and codes in the field of consumption is the dominating societal perceptions of how households in general, and those with scarce financial resources in particular, should consume. This has to do with how to be rational and economical (e.g., Aléx 2003; Horowitz 1985; Löfgren 1996). It has also to do with being an active consumer of goods and services in order to be like everybody else and not deviate (e.g., Dellgran & Karlsson 2001). An informant expressed:

“They (the furniture) have been given to me or I have bought them second hand. The sofa I have, it is very torn, yes, it looks like hell. You do not really dare to invite people spontaneously. I feel embarrassed if I should invite my neighbours over for a cup of coffee. The society has become much more… you are judged or greeted based on income. If you have an income which is below, yes, if you are poor, then you have to fight much more to show who you really are if you are poor. And it is therefore you do not want to invite anybody when you do not have it nice-looking. If you see what I mean, you do not want to show… even though I am a good person after all.”

Another example is the prevailing norms made visible regarding appearance in different situations. A single mother expressed:

“And then when entering a bank, you may not be as well dressed, you may not have the nice-looking clothes. You have an old pair of jeans which you have had for a couple of years, still without holes and clean and everything, but still. And then you may be judged by that ‘nice’ person. Just that part can probably stop a lot of people.”

The households in this study talked about shame and the internal and external expectations that often lead to that they as parents experience a feeling of being trapped. On one hand, they are supposed to be economical, rational and not buy anything that could be understood as unnecessary. On the other hand, they are supposed to have a consumer pattern so that their children can have the same goods as their peers and take part in activities arranged by schools or pre-schools or in leisure time. These external expectations can be perceived as paradoxical.

Coping strategies to consumption

The families interviewed used different coping strategies to handle the needs of basic necessities and at the same time attempting to keep up with social necessities, being able to consume like everybody else. The strategies should not be seen as a description of how the families managed their consumption, instead they should be considered ideal types (Weber 1977) in order to categorize a complex picture of different actions.

The first coping strategy, compensation, consists of using consumption as a compensation for a situation characterized by scarcity and privation. The parents talked about their children as innocent victims of the bad financial situation and that the children should be sheltered as much as possible from the financial difficulties.

“Maybe you buy them the little extra that you actually can’t afford, because you feel that it is not their fault that the situation is like it is. Sometimes I can feel that I buy things to the children that are too expensive in relation to my income because I know that they can never get as much as their friends. And also because you see yourself as insufficient, you want to compensate for it.”

The parents bought their children branded clothes, toys, TV- and computer games or let their children attend the cinema or McDonalds etc. These are things that do not fit into their budget, and the parents had to cut down on something else for themselves that they see as a basic necessity, for example, the dentist or home insurance. Another way was to buy goods on instalment rather than paying for it all at once. In general, the parents did not see the goods or activities they compensated their children with, as luxuries. Instead, it was regarded more as a question of the children having the opportunities to have or do the same things as other children.

If compensation is a coping strategy directed towards the children in the family, the second one, keeping up the facade, is concerned with covering up a scarce financial situation from those close to the family such as peers, staff in school etc. Besides buying goods and activities, as mentioned above, this strategy can also include arrangements in schools or pre-schools etc. that parents have to pay for, such as school-trips. The parents wanted their children to take part in these activities and the children were important for representing the family to the “outside” world. A mother said:

“Sure, I feel the pressure to maintain a certain standard, mostly because I have children. That is very obvious regarding a computer and a mobile phone and these things. I really feel the pressure. I bought a mobile phone, I rarely use it. It is expensive to use, but such things are so incredible important, to be like everybody else, I really feel that.”

The parents did not seem to run the same risk to be pointed out as deviant or poor. They described the children and the teenagers as being more exposed to social judgement in relation to consumption. However, the parents also expressed concerns for being judged by other people in that scarce financial resources sometimes is associated with bad parenthood.

The third coping strategy, privation, involves being without goods and activities that everybody else seems to have or do. Privation entails being extremely economical, to have a carefully calculated shopping list which is often the same week after week. Privation also involves buying second-hand clothes, mending clothes and using hand-me-downs. This disposition might indicate that a family can save a small sum of money to cover unforeseen expenses. Privation also means that the family expose themselves to the risk of being seen as poor and deviant. A single mother expressed:

“… because I never buy anything. If I had been such a person who had lived a normal life like most people do, I think it would have been very difficult. But I do not think like that, I always think economically. I get by because I save and scrape, otherwise I had not managed, I don’t think. Because I have three children and I am single. A lot of things suffers…”

Several parents talked about how they tried to keep their children outside the discussions about money, to protect their children from the scarce situation so they do not need to worry. However, this protecting strategy often seemed to be in vain because the children and teenagers seemed to be aware of the situation. Instead of just asking for things for themselves they asked if the parent(s) could afford, for example, renting a movie on a Friday evening.

The fourth coping strategy, acute solutions, is about not paying or buying anything before it is absolutely necessary. This last minute strategy is a way to control money, to have it in the purse or in the bank as long as possible, or not paying for something
without a specific reason. It often tends to be more expensive since it does not allow planning of purchases including possibilities to take advantage of opportunities. This should be seen in the light of that these families seldom have an economical buffer and that they do not only have low but also an insecure income. If they receive social assistance, they can not be sure of how much money they will get the next time. Several families said that they have to choose between which bills to pay, since they can not afford them all. To pay bills were moments of worries: should there be enough money or how much money will there be left when the bills are paid. A mother talked about the current bills:

“No, it is very difficult. It is so bad that I put the envelope with the bills on the desk a few days before they have to be paid. Then I go around this table two or three days before I can manage to sit down and start with it. I get pain in my stomach when I shall add the sums of the bills. I have to look at them a few days before I have the guts to deal with them, it is too bad.”

The fifth coping strategy, avoidance, is linked to the second one that involved trying to cover up the financial scarcity by buying goods that the parents see as social necessities. However, it means covering up in another way: to avoid situations where either the children or the parents (or both) can appear as poor or deviant. This can mean saying no to invitations such as birthday parties when there is no money to buy a present or avoiding to invite people over. One single mother expressed:

“The social life suffers when there is a lack of money. I cannot invite people over coffee or dinner, for example. I do not want to reveal my situation to other people. You feel a sort of shame.”

An example was to report the child as sick when there was a school trip that the parents could not afford to pay for. A mother expressed the difficulties involved when going on a school trip:

“He is 13 years old. Now he probably starts to become aware of... yes there are more pupils in the class who have single mothers, so they probably talk... but of course he sometimes becomes sad when he can not get things like the others, cool shoes or go to camps or such things like the others do. There will also be less (money) for him to bring than the others if they are going on a school trip.”

These five coping strategies can be something that families in general use from time to time or in a temporary financial downswing. However, in regard to the families in this study, it is more of a permanent situation. The financial scarcity has been going on for a long time, for most of the families at least eight to ten years. These coping strategies are not exceptions for the interviewed families: on the contrary it is something that characterizes their everyday life.

DISCUSSION AND CONCLUSION

It is puzzling that some consumers, in spite of a well-developed welfare state, can not afford necessities required in the society. The context of this paper is Sweden, which is a society characterized as a society with lesser gaps regarding the income levels between different groups than most parts of the world. But the gap is widening and this development has an impact on the conditions for consumption for the poorer groups. This study has pointed to three important issues regarding marginalized consumers.

First of all, the prevailing idea of the market of goods and services as a free market, offering equal opportunities, regardless of socioeconomic position, is problematic. The study has shown an interrelationship between the field of consumption and other significant fields such as labour, housing, education markets and the welfare systems. There are credit arrangements that give low-income groups access to more expensive and durable goods, but on the whole there seems to be a lot of barriers. Lack of access and too high price make the consumption more difficult for households with scarce financial resources. The ideal consumer is the one who either has a high income or lives in a household with two salaries. He/she has a car, own their home, and have a buffer to meet unforeseen expenses, as well as purchase bargains when the opportunity occurs. The families in this study are not ideal consumers, but they have to act in a market of goods and services that seems to favour the ideal consumer. The processes of marginalization that function in the fields of labour market and welfare systems are linked to the processes in the field of consumption.

Secondly, there is the gap between material and social necessities. If we assume that households with a median income set the standard for what is seen as social necessities, it ought to be more problematic for low-income households to manage the gap in times when inequality in incomes increases. In this study, we have found that the households struggle to consume the material necessities and to some point keep up with the social ones. The income gap in Sweden between the median and the low-income families with children has increased between 1993 and 2001 (SCB 2003). The question is if the gap between material and social necessities has also increased. If the gap continues to increase in the future, it will be more difficult for some households to manage the gap. For example, it can lead to an increase in debts if low-income households have to use more and more credit-arrangements to keep up with the standard for social necessities. Another possibility is that the households cut down on what is seen as material necessities.

The third issue concerns the children, but also the parents. In this study the children have been discussed as victims but also as being given high priority by their parents. Of course, it can be tough to grow up in a family with scarce financial resources, but parents do at the same time shelter their children against scarcity. In the study, some parents even talked about their children almost as if they were princes and princesses. Another possible interpretation is that the parents are the real victims, not allowing themselves to consume, but making sacrifices in their basic consumption for their children’s symbolic consumption.

Future research need to take a closer look at what is really going on inside marginalized families when it comes to consumption and in what ways a scarce financial situation influences the interaction between the family members regarding consumption. There is also a need to develop a broader theoretical framework when it comes to understanding different group’s position in and relation to the consumer society. It is important to highlight questions about inequality and different access to goods and services. We therefore stress the need for more interdisciplinary research on consumption and welfare. This highlights the importance of identifying and studying the forms of exclusion and inclusion which the consumer society creates. If Western societies are considered as societies driven by consumption, then there is a need to understand processes that create differentiation and stratification. There exists a considerable bulk of knowledge regarding exclusion and inclusion in relation to the labour market and the welfare state: it is now time to direct the searchlight towards the consumer society. We need to develop new theoretical tools and concepts to get a deeper
understanding of how those mechanisms works in the consumer society.

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Consumer Perceptions of Value in a Developing Country: A Model and Empirical Test
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ABSTRACT
Consumer perceptions of value have been well documented and researched by scholars in different areas. Most past studies in this paradigm, however, are undertaken in industrialized countries; hence their findings cannot be extrapolated to the developing countries that offer tremendous market potential for global products. In this study, consumer perceived value is hypothesized to be formed with the interactions between/among consumer perceptions of product quality, risk, and sacrifice. Perceptions of product quality, risk, and sacrifice are hypothesized to be dependent upon corporate image, country of origin, and price. The major findings are discussed and directions for future research are suggested.

INTRODUCTION
Researchers have developed models of consumer perceptions of value emphasizing on consumers’ use of extrinsic cues as indicators of value (Dodds and Monroe 1985; Erickson and Johansson 1985; Teas and Agarwal 2000). It is still unknown about which of the extrinsic cues are chosen by consumers in forming their value in a deal, and why some cues are chosen while others are not. However, it is assumed that there are two general ways to understand how consumers usually form perceived value and how they interact with a company’s product. When a consumer confronts with a new product, s/he will consider salient attributes of the product and will form an opinion. In addition to this evaluation process, extrinsic cues might influence consumers’ product evaluations in a more global manner by serving as an evaluative context of liking or disliking for the new product (Zeithaml 1988). It is quite natural to surmise that a product that maximizes perceived satisfaction would certainly be preferred to one that fulfills fewer needs. But the question becomes important while one brand is preferred over another although they contain the same attributes. That is the reason why the concept enforced consumer behavior researchers to perceive the construct differently from those of the economists as well as the scholars from other disciplines.

Most studies investigating consumer perceptions of value are done in the industrialized countries (Dodds and Monroe 1985; Dodds, Monroe and Grewal 1991; Teas and Agarwal 2000; Zeithaml 1988). No study has found that to find out consumer value formation in the developing countries. From the perspective of multinational companies, an understanding of how consumers in developing countries form value is very important. Consumer markets in the west are saturated. The growth of consumer markets in the coming years will occur mostly in developing countries in Asia and South America. Andaleeb (1994) notes, “the developing countries can be characterized as sellers’ markets while the developed countries can be referred to as buyers’ markets”. It is imperative that consumer value perceptions in developing country may be quite different from those of their developed country counterparts. Thus, marketing strategies that are suitable for North American and West European consumers are likely to fail if applied blindly to developing countries. Unfortunately, academic research in international consumer behavior is severely lacking. This paper will try to fill this important void in the consumer behavior literature.

With a population of 130 million, Bangladesh represents a huge potential market for multinational companies. With economic growth averaging 5% per year and per capita income increasing 36% during the 1990s, the national poverty level declined from 59% in 1991 to 50% in 2000. However, in spite of the impressive advancement of multinational companies in the Bangladesh market during recent years, research on Bangladeshi consumers has been scarce in the marketing literature. It can be argued that a good starting point to gain an initial understanding of Bangladeshi consumers is to examine their mechanism of perceived value with regard to a product.

The purpose of this research is to examine the influence of various types of cognitive associations that consumers in Bangladesh as a developing country can hold for the offerings of a manufacturer on consumer value assessment. The primary goal of this study is to analyze the consumers’ perception of value in relation to the underlying cognitive structure. The literature on country of origin, corporate image, perceived price, perceived quality, perceived sacrifice, and perceived risk are not yet rich enough to provide a sound conceptual foundation for investigating the process of consumer value judgment in the developing economies. First, an exploratory qualitative study will be undertaken to investigate the concepts and develop the constructs under study that deemed necessary for Bangladesh. Then, the study will investigate the roles of the theoretical constructs to find out the basic components and will especially concentrate on those aspects that can be generalized. It is hoped that this study will clarify the important constructs and will determine and open the way for the construction of an all-inclusive value assessment theory appropriate for the developing nations.

MODEL SUMMARY
It is predicted that extrinsic cues (corporate image, perceived country of origin, and perceived price) directly influence the perception of benefit and costs (perceived quality, perceived sacrifice, and perceived risk in this study), and that benefit and cost variables influence perceived value. It has been expected that the perceived benefit and costs will mediate extrinsic cues and perceived value.

A number of hypotheses concerning consumer value judgment have been proposed. First, the underlying assumptions of the proposed research are discussed, and then hypotheses are developed to test the direct and mediating effects of the variables on consumer value perceptions. It is noteworthy to mention that in this broadened general model, some hypotheses are truly new and some have been developed based on the past research.

Antecedents of Perceived Quality
In the times past, quality has been defined as the conformance of requirements. Rapid technological change, for instance, has led to multitudes of new products and decreased product lifetimes. Most of the previous research agree on the argument that the high quality perception often depends on certain assumptions about consumer behavior: (1) consumers hold some positive impression in memory toward the company that produces the product; (2) consumers hold a positive impression toward the country from which the product was originated; and, (3) the price of the product conveys some favorable information.

Influence of corporate image
It is assumed that when a consumer initially encounters a new product, important information about the product is often missing. In this case, consumers may form inferences about missing information by drawing a connection between available pieces of
information (one of which is corporate image). When a consumer identifies a product with a company, an opportunity arises for the overall evaluation of the product. When the evaluation of the new product occurs in the presence of corporate information, the corporate associations can create a context for the evaluation of the product. Upon facing a brand, consumers' cognitive responses will focus on question such as “Does the manufacturer have the necessary skills, expertise, and technology to produce a quality product?” The positive responses will develop into favorable evaluations toward the brand. The opposite will be observed in case of negative response. Thus, corporate image that is relevant to the company’s ability to produce output, is one likely source for consumers’ quality perceptions.

Influence of country of origin

Providing country information may become a powerful strategy tools for those countries which have already established a positive reputation for their products. Research on evaluations of foreign products infers that the producing country affects perceptions of a product’s attributes and consumer judgments of product quality (Andaldee 1995; Gurhan-Canli and Maheswaran 2000). For example, a country’s image regarding workmanship, innovation, and technological advancement, logically, will be projected onto the features of products produced by that country. This can better be described by the categorization theory where it is supposed that attitude toward a stimulus is directly related to attitude associated with the activated category (Alba and Hutchinson 1987). If a country name stimulates consumer’s retrieval of information from memory, consumers will retrieve general information about the country first and specific quality related information later. When a consumer retrieves positive country image, it will affect positively to the development of specific quality perception of the product.

Influence of perceived price

Research has shown that consumers are more likely to rely on price information as a quality cue in situations where other cues are absent (Dodds and Monroe 1985; Teas and Agarwal 2000). A frequent criticism of P–Q research has been the unrealistic nature of single cue studies, but only a small number of studies have examined the effects of price in multi-cue contexts. The conclusion is that consumers infer high quality when both positive brand name and high price are present (Dodds et al. 1991; Erickson and Johansson 1985). The importance of price as a function of quality has been extensively studied more than any other factors to measure perceived quality. In spite of conflicting findings, most researchers generally agree that price influences perceived quality regardless of its magnitude. The following hypotheses are drawn based on the above reasoning:

\[H1a\]: Perceived corporate image has a direct positive effect on the evaluation of perceived quality.

\[H1b\]: Perceived country of origin image of a product has a direct positive effect on the evaluation of perceived quality.

\[H1c\]: Perceived price has a positive direct effect on the evaluation of perceived quality.

Antecedents of Perceived Risk

Perception of risk is one pivotal aspect of consumer behavior because it is often perceived to be painful in that it may produce anxiety. It is evidenced in the previous research that consumers are inherently risk averse, means that a deal is always related inversely to the amount of perceived risk. When consumers fail to predict a product’s performance, its reliability, and its social acceptance, they consciously or unconsciously will try to depend on the extrinsic quality or invisible excellence of that product. Choice situation always involves two aspects of risk: uncertainty about the outcome and uncertainty about the consequences (Bettman 1973). Acquiring required information could reduce uncertainty about the outcome. Uncertainty about the consequences can be dealt with by reducing the consequences through putting off the choice.

Influence of corporate image

As aforementioned, as long as attribute comparison is concerned, nowadays there is no difference between the televisions produced by “Sony” or “Rangs”. Then, the interesting question is- why Sony is preferred over Rangs? One important reason might be the perceived differences of the corporate images between these two producers. If a favorable company produces a brand, the consumer’s memory rehearsal about the brand will center on pleasant thoughts in relation with his or her expected satisfaction that the product can be used without any unpleasant consequences. Thus, manufacturer related quality perceptions, which are relevant to the company’s ability to produce output, are one likely source for inferences about the anticipated standing of the product. Consequently, perceived risk will tend to be diminished if the product is produced and marketed by the company with higher image.

Influence of country of origin

There are two types of studies on country image: (1) Studies investigating consumers’ perceptions about various countries, and (2) studies examining the impact of country image on consumers’ product evaluations and purchases (Gurhan-Canli and Maheswaran 2000). Studies on country image perceptions have consistently demonstrated that consumers hold different perceptions about various countries. However, the results of studies on the impact of country image have been mixed: some studies have shown minor impact of country image (Johansson and Nebenzahl 1986), while others have concluded that country image is very influential (Jacob and Kaplan 1972). Moreover, studies found that consumers perceive a product from a developed country as being reliable and with the concept that the product will perform better. The more the product is perceived to be from a country with good image, the more the likelihood that the perceived risk with regard to that product will be diminished (Lee 1999).

Influence of perceived price

Price is clearly an important information cue in making a decision about what to buy in a store. However, as far the price research on consumer behavior, main concern has been put on the relationship of perceived price and quality, and the focus has been put on the possibility whether the consumer accepts the price of the product. However, the process and mechanism between price and consumer’s response have not been well considered in stimulus-response paradigms. Among the little number of articles on price-perceived risk, some scholars have argued that price, in general, increases perceived risk, i.e., the higher the price of a product, the higher will be the perceived risk (Bearden and Shimp 1982). Contrariwise, the same scholars in a different research settings have denoted that price reduces performance risk and increases financial risk, i.e., the higher the price, the less the performance risk, and the greater the financial risk (Shimp and Bearden 1982). These above arguments are summarized as follows:

\[H2a\]: Perceived high corporate image has a direct negative effect on the evaluation of perceived risk.
H2b: Perceived high country of origin image of a product has a direct negative effect on the evaluation of perceived risk.

H2c: Perceived high price has a direct negative effect on the evaluation of perceived risk.

Antecedents of Perceived Sacrifice

A large number of articles, in the past couple of decades, convey information of price as the indicator of quality (Peter and Olson 1993). At the same time, sacrifice is also inherently related with the price as the amount of money consumers pay to obtain a product reduces their wealth (Dodds et al. 1991). Thus, price becomes a sacrifice, the consumer makes, to obtain the benefits generated by the attributes that constitute the product. However, monetary sacrifice is not the only sacrifice, as operationalized in the previous research, consumers usually incur to acquire a product. At the same context, consumers may also incur non-monetary sacrifice such as time, effort, and search costs (Zeithaml 1988). As long as the sacrifice is concerned, research should incorporate sacrifices made with regard to time, effort and search in addition to price consumers employ in a deal. However, it is a valid assumption that as price increases from a low priced model to a higher priced model, consumers’ perceived sacrifice also increases. Thus the hypothesis is-

H3: Perceived price has a direct positive effect on the evaluation of perceived sacrifice.

Antecedents of Perceived Value

Consumers’ perceptions of value are generally formed on the basis of “an array of cues”. The consumer’s task in evaluating any given product is to use cues from this array for making evaluative judgments about that product. Extrinsic cues are attributes that are not part of the physical product but consumers take into consideration during the evaluation of a product. In consumer behavior literature, taking altogether, it is argued that the value of a good is not only inherently related with the attributes in the good but also the psychological outcome a person or people have for it.

Influence of quality on perceived value

Perceived quality is a variable which works as summary statistics in consumer value formation (Hauser and Urban 1986). As an image variable, perceived quality is commonly utilized as overall evaluations of a product whenever consumers do not have any specific ideas about the product (Teas and Agarwal 2000; Wood and Scheer 1996). According to categorization theory, attitudes toward a stimulus are directly related to attitudes associated with the activated category (Alba and Hutchinson 1987). When consumers face a brand name associated with high quality, consumers will infer positive value toward the brand. Therefore, when the quality perception of a brand is good, consumer perceived value of that brand will be favorable. When the quality perception is bad, consumer value perception will be unfavorable.

Influence of risk on perceived value

Perception of risk is very important aspect of consumer behavior because it is often perceived to be painful in that it may produce anxiety. Consumers perceive products as having both desirable (positive valence) and undesirable attributes (negative valence) (Dowling and Stealín 1998; Engel, Kollot, and Blackwell 1973; Jacoby and Kaplan 1972; Shimp and Bearden 1982). The findings of these research are that individuals attempt to maximize the “net valence” which is the arithmetic difference between expected positive and negative utility (i.e., net perceived value). Since the outcome of a choice (value) can only be known in the future, the consumer is forced to deal with risk. It is hypothesized that perceived risk will affect negatively to perceived value, that is, the greater the risk associated with a product, the less the consumers will perceive the value of that product. The opposite will be observed in the cases of smaller risk conditions.

Influence of sacrifice on perceived value

Wood and Scheer (1996) have shown how expected benefits, monetary factors, and risk factors affect consumer evaluation of a deal and likelihood of purchasing a product. They considered perceived quality as a potential benefit factor, and potential costs considering both tangible and intangible costs. They considered monetary sacrifice, that is required to acquire a product, as a form of tangible cost, and perceived risk, which represents an uncertainty and probabilistic future financial or psychological costs, as intangible cost. However, “Adaptation-Level Theory” and “Range Theory” explain how consumers consider the sacrifice as acceptable or unacceptable.

In the Adaptation-level theory the assumption is that price judgments depend on a comparison of a market price to an internal reference price. It relies on a comparison of current sensation to the adaptation level of recent sensory experiences (Lichtenstein et al. 1988). A \$500 price for a dinner may be considered as “high” by one consumer because he usually spends \$1000 for it, and the other may consider it as “cheap” because he spends \$2000 normally. Notable here, perceived price will be encoded in this study based on Adaptation-level theory. Another view of how people make sensory judgments is “Range theory”. It suggests that consumers use the range of remembered price experiences to set a lower and upper bound of price expectations, and that the attractiveness of a market price is a function of its relative location within this range. For example, a consumer usually spends \$900 to \$1200 for a dinner. In this case, according to the Range theory, \$800 will be “cheap” and \$1300 will be a high price for him. In both of these cases, the product will bring a lower value for that consumer. So, perceptions of the same price may have different affects across consumers. A higher price obviously may boost up the perception of a product’s quality, but at the same time the sacrifice required to purchase the product leads to a reduced value for that consumer. The above discussion leads to the following hypotheses:

H4a: Perceived quality of a product has a direct positive effect on the evaluation of perceived value.

H4b: Perceived risk has a direct negative effect on the evaluation of perceived value.

H4c: Perceived sacrifice has a direct negative effect on the evaluation of perceived value.

RESEARCH METHODOLOGY

Measurement of Variables and Manipulation

Consumers’ value perceptions were measured using thirteen Likert statements developed by Chowdhury and Abe (2002). Consumer quality perception was assessed using thirteen measure scales developed by Lee (1994) and these were again validated for this study. On the basis of the research by Teas and Agarwal (2000) we measured perceived sacrifice using five Likert statements. Nine country of origin measure scales were borrowed from Chowdhury (2001). Consumer perceptions of risk were measured using four Likert statements that assessed financial risk, social risk, performance risk, and psychological risk. Scales to measure perceived
corporate image was constructed considering the studies by Keller and Aaker (1992) and Brown and Dacin (1997). Perceived product price was based on the three items developed by Bearden and Shimp (1982).

The automatic camera and the color television set were chosen as product categories based on their country of origin. These were selected on the criteria of being relevant to Bangladesh consumers. Most urban Bangladeshi consumers are familiar with both the products. Thus, the lack of product familiarity is not expected to influence product evaluation greatly. They comprised a Japanese brand (Sony) and a brand from Bangladesh (Rangs). Information with regard to each brand was manipulated by providing subjects with some formatted information. One page of information relevant to the features of each product was attached to each questionnaire.

Subjects and Data Collection Procedure

Data was collected from a convenient sample of residents in Rajshahi, a city in the northern Bangladesh, and Khulna, a city in the southern Bangladesh. Eighty subjects were selected for the product of each country. Thus, a total sample size for the study was 320. Nine observations were later found to be incomplete. Hence, the usable sample size was reduced to 311. Data were collected from the principal dwellers (either husband or wife) of each household. Each subject was provided with a one-page product profile that included product producer, price and country-of-origin information. The exact prices used were: Tk. 10000 and Tk. 5000 for the cameras, and Tk. 22000 and Tk. 11000 for the color television sets (US$ 1 = Tk. 65). The levels of high and low prices for each category were ascertained through a pretest with a group of 30 participants. The subjects were asked to indicate the typical high and low prices for each product category.

Four versions of the questionnaire have been used, a version corresponding to each of the automatic camera/TV brands (Sony automatic camera, Sony TV, Rangs automatic camera, and Rangs TV) in consideration. All instructions regarding the brands under evaluation were of similar length and paragraph construction. When the subject had formed an impression of the brand, he or she was asked to mark the evaluation on a number of seven-point scales. Measures for evaluating perceived risk (PR), perceived quality (PQ), and perceived sacrifice (PS) appeared after the perceived value (PV) measures. Evaluations of the extrinsic cues, i.e., perceived country of origin (PCO), perceived corporate image (PCI), and perceived product price (PPP) followed PR, PQ, and PS. Finally, the demographic questions were given at the last page of the questionnaire. Most subjects spent between 10 and 12 minutes filling out the entire questionnaire.

RESULTS

Overall Model Fit

The first step of the data analysis was a test of the measurement model before entering into structural model testing. Objectives of this test were: (1) to contain the validity and reliability of measures developed and tested in previous phases of the study; and (2) to select the best subset of observed measure for use in testing the structural model. The data approximated a normal distribution with acceptable skewness and kurtosis values. Coefficient alpha was computed for each set of observed measures associated with a given latent variable, and a confirmatory factor analysis (CFA) was conducted. Because of the large number of items used to measure the dimensionality of most of the constructs, responses of these items were averaged to form a single measure for each of the dimension. Alpha values of each item in each dimension were performed separately and were within an acceptable range.

Estimation of Measurement model for the eight constructs of interest was performed using Amos 4.01. The first step was an evaluation of the overall fit of the structural model as indicated by the chi-square statistic, which was a bad fit ($\chi^2 = 508.2; df=306; p=0.0001$). The statistic is computed under the null hypothesis that the observed covariances among the answers came from a population that fits the model. A statistically significant value in the goodness of fit test would suggest that the data do not fit the proposed model, i.e., that the observed covariance matrix is statistically different than the hypothesized matrix. J. reskog and S. rbom (1986, p. 38-39) state, “the statistical problem is not one of testing a given hypothesis — but one of fitting the model to the data and to decide whether the fit is adequate or not — instead of regarding $\chi^2$ as a test statistic one should regard it as a goodness (or badness) of fit measure in the sense that large $\chi^2$ value correspond to bad fit and small $\chi^2$ values correspond to good fit.”

Bagozzi and Yi (1988, p. 76) have pointed out that “one of the first things that should be done before examination of the global criteria is to see if any anomalies exists in the output”. Examples of anomalies exist in the output are: (1) negative estimates for the variances, (2) correlation estimates greater than 1, and (3) extremely large estimates for the parameters. None of these anomalies were present in the output of the analysis.

At this stage, an examination of data was initiated that revealed eight outliers. Elimination of these eight cases thus resulted a total of 303 samples. Bagozzi (1977) have proposed two options to consider when a proposed model has to be rejected on statistical grounds:

1. One can try to modify the rejected model in small ways to improve its fit to the data.
2. One can start form scratch to devise another model to replace the rejected one.

Modification indices (M. I) suggest ways of improving a model by increasing the number of decreases faster than the degrees of freedom (Bentler and Bonett 1980). Furthermore, an acceptable chi-square value can be achieved by introducing additional constraints that produce a relative large increase in degrees of freedom with only a small increase in the chi-square statistic. These modifications can be roughly evaluated by looking at the critical ratios (C.R). Alternative analysis were performed by modifying the variables (by correlating and imposing constraints) that deemed logical to improve the model fit but failed to affect the chi-square value significantly.

For the CFA analysis, most factor loadings were acceptable except loadings for observed measures of a dimension named-performance1 on perceived quality (PQ) and one item2 on perceived corporate image (PCI). Because of such statistically insignificant scores in loadings, PER and the item of PCI were discarded for use in testing the structural model. All the other measures were retained for consideration because, the loadings were significant at 0.05 levels regardless of the magnitude of their factor loadings.

1 It consisted of two measure items, i.e., (1) this brand will not do its basic job very consistently; and, (2) you will get good results from using products of this brand, on 7-point scales (1=strongly disagree, 7=strongly agree).

2 A 7-point scale measured that “this product contributes something to society” (1=strongly disagree, 7=strongly agree).
Finally, the model fit the data well, i.e., $\chi^2 = 134.54$; df = 122; $p = 0.21$, a goodness-of-fit (GFI) index of 0.959, adjusted goodness-of-fit index of 0.942, Root Mean Square Residual (RMR) of 0.055, Akaike Information Criterion (AIC) of 263.59.

Tests of Hypotheses

Seven of the ten path coefficients are significant and all are consistent with the hypothesized direction (see Table 1). Hypothesis 1a (H1a) states that the evaluation of perceived quality will be positively affected by the perception of favorable corporate image. That is, if consumers perceive a corporation of having a good ability, then it will boost up consumers’ perceptions of the product’s overall quality. The structural equation results support this hypothesis: the direct effect of perceived corporate image (PCI) on perceived quality is positive and significant ($\gamma = 0.40$, $p = 0.05$). Hypothesis 1b (H1b) states that the evaluation of perceived quality
will be positively affected by the perception of country image. Specifically, when consumers face a product associated with a positive country image, they will infer positive impression toward that product. The direct effect of perceived country of origin on perceived value is positive and significant ($\gamma = 0.18$, $p=0.06$). Based on previous research, we predicted in hypothesis 1c (H1c) that perception of price (higher price compared to lower price) would be positively associated with consumer perception of product quality. Recall that although there are so many arguments in favor and against the effect of price as an indicator of quality, in this study the idea of positive relationship between price and perceived quality was adopted. The results, however, do not support this hypothesis as the path between perceived product price (PPP) and perceived quality (PQ) is not significant ($\gamma = 0.01$, $p=0.72$).

In hypothesis 2a (H2a), the prediction was that perception of corporate image would be negatively associated with consumer perception of risk. Specifically, consumers, in order to escape from the possible regret, are expected to buy the product with an additional attribute. This hypothesis was supported. Perception of corporate image (PCI) negatively affected perception of risk (PR) and was significant ($\gamma = -0.27$, $p=0.03$). Hypothesis 2b (H2b) states that perceived high country of origin image has a direct negative effect on perception of risk of buying a product. That is, the more the product is perceived to be from a country with good image, the more the likelihood that the perceived risk with regard to that product would be diminished. The direct effect of perceived country of origin (PCO) on perceived risk (PR) is negative but not significant ($\gamma = -0.03$, $p=0.10$).

Hypothesis 2c (H2c) we predicted that perceived high price would have a direct negative effect on perception of risk of buying a product. It means that the higher the price of a product, the lower would be the possibility of purchase failure. The structural equation results do not support this hypothesis. That is, the direct effect of perceived product price (PPP) on perception of risk of buying a product is not significant ($\gamma = -0.01$, $p=0.70$).

In hypothesis 3 (H3) we predicted that perceived product price has a direct positive effect on perceived sacrifice (PS). It assumes that as price increases from a low priced model to a higher priced model, consumers’ perceived sacrifice also increases. The results show that the direct effect of perceived product price on consumer perception of sacrifice is positive and significant ($\beta = 0.15$, $p=0.05$).

Hypothesis 4a states that perceived quality of a product has a direct positive effect on the evaluation of perceived value. That is, as one’s perceptions of quality toward the brand increases, his trust of the brand as a satisfaction supplier and thus a fulfiller of value will also increase. This hypothesis was supported that provides positive and significant values ($\beta = 0.44$, $p=0.01$). In hypothesis 4b (H4b), we hypothesized that perception of risk of purchasing a product would have direct negative effect on the evaluation of perceived value. It means that the greater the risk associated with a product, the less the consumers will perceive the value of that product. The results do support this hypothesis as the path between perceived risk (PR) and perceived value (PV) is negative and significant ($\beta = -0.15$, $p=0.05$).

Hypothesis 4c, we predicted that perceived sacrifice would effect perception of value negatively. That is, the more a consumer sacrifices to purchase a product, the less the product would be valuable to that consumer. This hypothesis was supported in the structural equation model that provides negative estimates and significant value ($\beta = -0.18$, $p=0.05$).

CONCLUSION

Consumer perceptions of value have been investigated extensively over the years. Marketing researchers continue to show great interest in this research paradigm. This is because researchers

### TABLE 1

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Parameter (From-To)</th>
<th>Estimate (Significant at)</th>
<th>Fit Indices:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exogenous to endogenous</td>
<td></td>
<td>Chi Square: 134.54</td>
</tr>
<tr>
<td>H1a:</td>
<td>PCI to PQ</td>
<td>$\gamma = 0.40^{**}$</td>
<td></td>
</tr>
<tr>
<td>H1b:</td>
<td>PCO to PQ</td>
<td>$\gamma = 0.18^{*}$</td>
<td></td>
</tr>
<tr>
<td>H1c:</td>
<td>PPP to PQ</td>
<td>$\gamma = 0.01$ (n.s.)</td>
<td></td>
</tr>
<tr>
<td>H2a:</td>
<td>PCI to PR</td>
<td>$\gamma = -0.27^{*}$</td>
<td></td>
</tr>
<tr>
<td>H2b:</td>
<td>PCO to PR</td>
<td>$\gamma = -0.03$ (n.s.)</td>
<td></td>
</tr>
<tr>
<td>H2c:</td>
<td>PPP to PR</td>
<td>$\gamma = -0.01$ (n.s.)</td>
<td></td>
</tr>
<tr>
<td>H3:</td>
<td>PPP to PS</td>
<td>$\gamma = 0.15^{**}$</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Endogenous to endogenous:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4a:</td>
<td>PQ to P</td>
<td>$\beta = 0.44^{***}$</td>
<td></td>
</tr>
<tr>
<td>H4b:</td>
<td>PR to PV</td>
<td>$\beta = -0.15^{**}$</td>
<td></td>
</tr>
<tr>
<td>H4c:</td>
<td>PS to PV</td>
<td>$\beta = -0.18^{**}$</td>
<td></td>
</tr>
</tbody>
</table>

*Significant at 0.1. **Significant at 0.05. ***Significant at 0.01. n.s.=Not Significant
realize the importance of the consumer perceptions of value effect to predict consumer attitude and choice behavior. As a result, both empirical and conceptual research on the consumer perceptions of value effect have benefited from their sustained enquiry. Unfortunately, most of these studies are undertaken in the industrialized countries (Teas and Agarwal 2000; Wheatley and Chiu 1977; Zeithaml 1988). Hence, neither the empirical findings nor the conceptual frameworks of these studies can be directly extrapolated to the domain of developing countries. This study is one of the first attempts in filling this gap in consumer value formation literature.

Results of the structural analysis of this study provide a basis for making inferences about theoretical relationships among the study constructs. The design of the experiment allowed analysis of both direct and indirect influence of extrinsic cues on perceived value. Hence, the direct effects of the extrinsic cues on perceived value and the indirect effects through the mediating variables (perceived quality, perceived risk, and perceived sacrifice) on perceived value were tested. No direct effect of perceived corporate image, perceived country of origin, and perceived product price on perceived value were observed but those, as hypothesized, had a significant effect on the mediating variables.

One important finding of this research is the empirical validation of the relationship between and among the variables under study. The implication for marketing managers is straightforward. In many situations, important product attributes cannot be fully evaluated prior to purchase; at the time of purchase, information is effectively missing about these attributes. The result of this study indicates that consumers can and will use the extrinsic cues as the basis for inferences about missing product attributes. Thus, through the development of important extrinsic cues (corporate image, country-of-origin, and perceived price), marketing managers can leverage what consumers know about the cues to compensate for what they do not know and cannot evaluate about a product.

Findings of this study show that price does not influence consumer perceptions of quality when the information of price is available with other information of country-of-origin and corporate image. This finding is in consistent with the previous price-quality research where it has been found that price becomes less important as a quality indicator when other product quality cues are present (Bonner and Nelson 1985; Parasuraman, Zeithaml, and Berry 1985; Dodds et al. 1991). However, the results support the paths between the price and perceived sacrifice and between perceived sacrifice and perceived value. These findings suggest that price has positive influence on perceived sacrifice and perceived sacrifice influences perceived value negatively. That is, when consumers in Bangladesh pay more for a product their perception of sacrifice increases and that consequently diminishes their perception of value toward that product. Considering the ultimate effect of price (i.e., relationships of: (a) price-quality; and, (b) price-perceived sacrifice-perceived value) it can be argued that price, in one hand, is not an indicator of quality, and, on the other hand, the high price reduces perceived value by increasing perceived sacrifice of Bangladesh consumers. Therefore, as long as the issue of price is concerned, reducing price and thus decreasing perceptions of sacrifice to signal value is one important strategy that companies can use to affect value perceptions of Bangladesh consumers.

The country-of-origin and corporate image were found to have a significant effect on both perceived quality and perceived risk. For manufacturers, policy makers, and government in Bangladesh, the present results suggest a difficult challenge in changing the attitudes of its citizens toward domestic products. Foreign competition can indeed be a catalyst in improving the quality of local goods. Where possible, in order to have a foreign association of the domestic finished product, Bangladesh manufacturers should consider joint venture or licensing arrangements with well-known foreign manufacturers. Since corporate image is also important to Bangladesh consumers, well-known corporate association may improve consumer evaluation of the product even though it is produced locally.

There are some limitations in this study and thus future research should continue to test and to refine relationships investigated in the present study and variables that moderate them. Only electronic product class was considered for evaluation in this study. Future studies must explore how the underlying model works for a wider range of products, situations, settings, and populations. A finding’s failure to replicate is evidence of a limit to the generalizability of the relation. The study was supposed to tap and test a theory of consumer value perception, and considerations of internal validity were paramount. However, when a finding does replicate, the scope of relation is extended. Further research should offer enough variety in addition to the product class used here.

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Consumer Attitudes Toward Genetically Modified Foods in the Brazilian Market: Which Benefits Can Reduce the Negativism?
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ABSTRACT
Despite the benefits attributed to genetically modified foods, there is still a negative consumer attitude toward them in many countries. Two experiments were conducted in order to test the effects of genetic modification and product benefits on consumer attitudes and behavioral intentions. Results indicated that the presence of the genetic modification in the product led to negative evaluations of the consumer attitudes and the behavioral intentions, the benefits were not enough to attenuate the negative attitudes, consumers with high involvement with GM food presented a more favorable evaluation of the product and demographic variables also influenced the attitudes.

INTRODUCTION
An organism that has been modified, or transformed, using modern techniques of genetic exchange is commonly referred to as a Genetically Modified Organism (GMOs) (Tsay 2003). The introduction of such products, also known as transgenics or GM foods, in the marketplace has produced a lot of discussion in many countries. They may offer benefits to the producers, the consumers and the environment, by means of an increase in productivity, a reduction in final price and a decrease in pesticide use (Tsay 2003). However, the consumer acceptance level of GMOs is low in many countries, mainly due to the risks associated to health and the environment. Other reasons, such as a lack of confidence in the regulatory institutions as well as social and ethical concerns, have also affected the attitudes toward GMOs (Tsay 2003).

Studies in the United States have shown that American consumers are not decidedly opposed to GM foods, while the concern with its risks, benefits and safety seems to be a more important aspect of the subject (Hossain and Onyango 2004). In Europe, consumers are skeptical towards GMOs in food production, and their willingness to buy these products is low, with the perceptions of risks and benefits of the GMOs being also the main issue (Bredahl 2001, Grunert et al. 2004). In the study of Subrahmanyan and Cheng (2000), the issues related to health, ethics, and perceived benefits were among the major concerns of consumers in Singapore. Another study from Nishiura et al. (2002) found that Japanese consumers are worried about the potential health risks of GM food, despite the efforts of experts in dismissing the possibility of risks. A study conducted by Kim and Kim (2003) in Korea revealed that consumers concerns about GMOs were high, even though recognition was low, with consumers manifesting a need to be informed about the safety of GMOs. Tsay (2003) found a similar result in a study conducted in Taiwan in 2002. In Latin America, a study in Brazil, the biggest agricultural producer in the region, found that 71% of consumers would prefer a product not genetically modified when deciding to purchase food for their home (Ibope 2002).

Despite the relative innovation of this research subject, previous studies have already investigated consumer attitudes toward GMOs (Frewer et al. 1995, Bredahl et al. 1998, Bredahl 2001, Cook et al. 2002). In this context, an important question deals with the reactions consumers will have when confronted with GMOs among their choice options, especially those made of soybean and corn, but also others such as milk, bread, meat, and fruits.

Even though there are suggestions that the negative attitude toward GMOs can be attenuated by the presence of an additional benefit (Bredahl et al. 1998), the specific benefits that may make the GMOs more accepted are still to be investigated. Thus, the present research aims (i) to investigate consumer attitudes and behavioral intentions toward GMOs, (ii) to test whether the existence of an additional benefit has an influence on these variables, and, if so, (iii) to discover which benefit would create a higher level of consumer acceptance of GMOs. Following recommendations by Frewer et al. (1995), three benefits were tested, being associated with: the health of the consumer, the reduction in product price and the increase in shelf life.

ATTITUDES TOWARD GM FOOD
The estimated global area for GM crop for 2003 was 67.7 million hectares by 7 million farmers in 18 countries, an increasing of 15% compared to 2002 (ISAAA 2004). Products cultivated include soybean, maize, cotton, oilseed, potatoes, and corn, depending on the country. In 2004 only 17 other countries grew genetically modified crops. The United States accounted for 59% of the 81 million hectares employed for GM agriculture, followed by Argentina (20% of total area), Canada and Brazil (6% each) (Zarrilli, 2005).

GMOs are still not completely regulated in Brazil, and this delay could have produced a source of competitive advantage for Brazilian farmers in their relationship with European countries (MacDemort 1999, Goddard 2002), especially because European consumers have been skeptical about GMOs. However, there has been a heat discussion concerning the soybean plantation because, as there are farmers cultivating GM crops of this product in the southwest state of Rio Grande do Sul, there is the risk of contamination. The government had allowed GM crops in Brazil in 2003 but it decided to prohibit GM crops again. However a new regulation, named Law of Biosecurity, has been approved recently and now it is allowed to cultivate GM food again (Laws 2005).

Despite the arguments to defend GMOs, such as increased yields, disease resistance, herbicide resistance and enhanced food quality, consumers’ resistance toward this kind of food is still high in many countries (Renton and Fortin 2002, Tsay 2003). For this reason, we hypothesize that:

H1: the presence (absence) of genetic modification in the product will result in unfavorable (favorable) consumer attitudes toward the product.

Renton and Fortin (2002) investigated the effects of the presence of genetic modification and an additional benefit have on consumer attitudes toward GMOs. Using bread and milk, they found that genetic modification had a negative influence on consumer attitudes and, contrary to expectations, the additional benefit tested (normal x high longevity of the product) was not enough to offset the negativism produced by genetic modification. In a previous study, Frewer et al. (1995) had already pointed out the need to study whether benefits to health and the environment would be perceived as more acceptable for the genetic modification of
products, especially when compared to the benefits of low cost and increased shelf life.

In this way, Bredahl et al. (1998) predicted that the presence of an additional benefit and its association to the genetic modification in a product could compensate the negative attitude consumers usually have toward GMOs. What is still unknown is which benefit will be more accepted by consumers in different countries. Therefore, that the second hypothesis is:

H2: the presence (absence) of an additional benefit in the GMO will (will not) compensate the negative attitudes toward the GMO.

**EXPERIMENT 1**

**Method**

A between-subjects factorial experiment was conducted, manipulating genetic modification at two levels (present x absent) and additional benefit at four levels (no benefit, health benefit, low cost and increased shelf life). Dependent variables were measured only after the stimuli had been administered.

The product used in the stimulus message was a fictitious brand of milk, named New Life. It was presented to the respondents as a real brand that was being introduced into the marketplace. Milk was chosen because, as it is widely used, it could ease the sampling procedures. In addition, milk can be genetically modified and has already been used in previous research (Renton and Fortin 2002), thus allowing for some level of comparison of results.

A non-probabilistic sample was used, composed of undergraduate students, which represented a 'non-traditional' student sample (James and Sonner 2001) because of their experience with the target product. Each participant was randomly assigned to one of the eight groups.

**Materials and procedures.** After being assigned to one group and before reading the stimulus, respondents answered some questions regarding their involvement with the target product (milk), their involvement with GMOs, and their level of responsibility in the decision-making process regarding purchases in their home. The items for involvement were adapted from Zaichkowsky (1985) using a Likert scale (1 to 7), while those for measuring responsibility in the purchase of food were adapted from Renton and Fortin (2002) using a semantic differential scale, varying from 1 (never) to 7 (always). These questions were included in order to be controlled as covariates.

The stimuli were composed of eight messages simulating a fictitious brand (New Life) being launched into the market. Participants received one of the messages as if it were being used in the company’s advertisement. The eight messages were the result of the combination of genetic modification (present x absent) and additional benefit (none, health, low cost and increased shelf life). Two manipulation checks were included just after the stimulus to check if stimuli were perceived as expected.

**Dependent Variables.** Attitudes were assessed through a semantic differential scale with five items, adapted from Maheswaran and Sternthal (1990), and behavioral intentions were measured by a Likert scale with four items, adapted from Zeithaml et al. (1996).

Demographic questions (i.e. gender, age and education) were also included at the end of the questionnaire since previous studies have suggested an effect of these variables on the attitude toward GMOs (Subrahmanyan and Cheng 2000).

**Results**

The final sample was composed of 303 participants. Of this total, 164 (54%) were male and 139 (46%) female. In terms of age: 206 (68%) were less than 25 years of age, 55 (18%) were between 26 and 30 years of age and 40 (14%) were 31 years of age or more. Of the total, 71 (69%) marked 4 or above when asked about the responsibility for the purchase of food in the household (mean=4.55; SD=1.96).

The additional benefit stimuli were also checked and the rates of correct processing were: 74/75 (99%) in the health condition, 57/74 (77%) in the price condition, and 64/75 (85%) in the increased shelf life condition. Those participants who did not answer the manipulation checks questions in the expected manner were excluded and the final sample was reduced to 248 respondents distributed in 8 groups, with cell sizes varying from 24 to 39.

**Manipulation Checks.** From those 144 that received a message announcing a product with genetic modification, 128 (88.9%) chose the option stating that the product had been modified. In contrast, from those 159 that received a message asserting that the product was free from genetic modification, 141 (88.7%) marked the option alleging that the product had not been modified (chi-square=193.12; p<.000).

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**Test of the hypotheses.** Univariate and multivariate analysis of variance were used to analyze the data. The general correlation between consumer attitudes and behavioral intentions was r=.491 (p<.000). The multivariate analysis of variance (MANOVA) is more suitable to compare groups in more than one correlated dependent variable because it considers the dependent variables together (Hair et al. 1998).

H1. This hypothesis asserts that the presence (absence) of genetic modification in the product will result in unfavorable (favorable) consumer attitudes toward the product. In the consumer attitudes variable, the comparison of the means indicated a higher mean in the group without genetic modification (Mean GM=.272; Mean NO GM=.272; F(1,230)=18.344; p<.000). The same pattern was found for the behavioral intentions: MeanGM=-.368; MeanNO GM=.371; F(1,241)=38.039; p<.000.

Consumer involvement with milk was not different between the two groups, F (1,247)=2.628; p>.106. This result was as predicted because this variable was not manipulated and respondents were randomly assigned to the groups. The same result was found for the involvement with GMOs, F (1,245)=.496; p>.482.

H2. This hypothesis affirms that the presence (absence) of an additional benefit in the GMO will (will not) compensate the negative attitudes toward the GMO. The means for consumer attitudes and behavioral intentions in the four groups with genetic modification were negative (figure 1).

The comparison of these means in the Scheffe post hoc test (Kirk 1968) indicates that significant differences arise only in the consumer attitudes variable, when comparing low price versus no benefit (p<.036), low price versus health (p<.006), and low price versus shelf life (p<.009). These results suggest that low price is not perceived as a good additional benefit when announcing a genetically modified product. This discussion will be renewed in the final section.
Another way to test this hypothesis is by using MANOVA, when the effects of the experimental factors (genetic modification and additional benefits) on the dependent variables (consumer attitudes and behavioral intentions) can be assessed, considering the covariates (involvement with milk, involvement with GMOs, and responsibility for the decisions to purchase food).

Results from this multivariate analysis showed a significant interaction between genetic modification and additional benefits: Wilk’s lambda=.941; F (6,434)=3.245; p<.038. The individual effects were also significant for genetic modification, with Wilk’s lambda=.840; F (2,217)=20.692; p<.000, and for additional benefits, with Wilk’s lambda=.931; F (6,434)=2.617; p<.017.

The univariate version of analysis of variance reveals that this interaction is significant in the consumer attitudes variable (F=3.621; p<.014), but not in the behavioral intentions (F=.814; p<.487). These interactions, depicted in figure 2, are a result of this pattern:

(i) For the consumer attitudes, there is no difference in the benefits when the product was not genetically modified, with F (3,111)=2.596; p<.056 and the contrast health versus no benefit with the highest mean difference (p<.060). However, when the product is genetically modified, there is a significant difference among the groups, with F (3,111)=5.568; p<.001. The groups with a low price benefit presented a lower mean when compared to no benefit (p<.036), to health (p<.006) and to increased shelf life (p<.009). This indicates that the price benefit affects consumer attitudes in a significantly negative fashion.

(ii) For the behavioral intentions variable, benefits were not significantly different when compared to each other, when considering the product with genetic modification [F (3,117)=1.346; p<.263], or without any modification [F (3,116)=1.726; p<.165]. In general, however, it was found that the groups with genetic modification presented a significantly lower score for behavioral intentions when compared to the groups without modification (already presented in the first hypothesis).

Demographic variables. Even though there were no hypotheses for those variables, it was tested whether the dependent variables differed among demographic groups. A difference was found in the consumer attitudes when comparing men and women in the sample: Mwomen=.157; Mmen=-.125 ; F (1,228)=4.572; p<.034.

EXPERIMENT 2

Method

To enhance the external validity of the results found in the first experiment (Winner 1999), a replication was conducted. Sampling was non-probabilistic by convenience, with consumers voluntarily participating in the study. Undergraduate students attending the market research subject were trained to recruit relatives, neighbors and co-workers for joining the experiment.

Results

A total of 376 questionnaires were returned and 276 (73.4%) were considered valid after checking for missing data and the questions testing the stimuli manipulations. Of this total, 142 (51%) were male, 147 (53%) had bachelor degree, 105 (38%) had up to a high school level education and 24 (9%) had completed a graduate course. In terms of age: 86 (31%) were up to 25 years of age, 63 (23%) were between 26 and 30 years of age, 77 (28%) were between 31 and 40 years of age and 50 (18%) were more than 41 years of age. Of the total, 219 (79%) gave marked 4 or above when asked about the responsibility of purchasing food for household (mean=5.08; SD=1.91). Cell size varied from 20 to 49 in each group.

As in the first study, reliability and dimensionality analyses were conducted before the test of the hypotheses. Reliability in each scale, measured by Cronbach’s alpha, was at acceptable level: .826 (involvement with milk), .937 (involvement with GMOs), .854 (consumer attitudes) and .943 (behavioral intentions). Dimensionality was assessed by factorial analysis and all of the scales were found to be unidimensional with the following variances extracted: 67.87% (involvement with milk), 84.23% (involvement with GMOs), 64.28% (consumer attitudes) and 85.61% (behavioral intentions).
**FIGURE 2**
Attitudes and Behavioral Intentions as a Function of GM and Benefits

It can be noticed that the genetic modification factor was significant in all models, irrespective of the inclusion of any covariates. On the other hand, additional benefits were not significant in any of the models. A significant interaction between genetic modification and additional benefit was found in the consumer attitudes variable ($p<.044$) in the second model. This interaction is the result of this pattern: when there is no genetic modification, there is no difference between the groups, with $F(3,119)=1.547$; $p<.206$; but, when there is genetic modification in the product, the groups are different, $F(3,136)=2.906$; $p<.030$, with the lowest means occurring in the groups of low price and increased shelf life (see figure 4).

**Demographic Variables.** As in the experiment 1, it was found that men showed a lower mean than women in the attitudes variable, but with no significant difference: $F(1,261)=1.253$; $p<.264$. Age did affect the involvement with GMOs: as age increased, involvement with GMOs decreased, with $F(3,270)=4.606$; $p<.004$. In a similar fashion, education affected the behavioral intentions: those with higher education (college graduates) manifested lower scores when compared to the group with a lower education level: $F(4,265)=2.722$; $p<.030$.

**DISCUSSION AND CONCLUSION**

The possibility of the introduction of genetically modified organisms (GMOs or GM food) in the marketplace has created heated discussions among scientists, governments, producers, media and consumer agencies. Despite the benefits attributed to the GMOs, consumer perceptions are still associated with risks to the health and the environment. A common result in previous research has been the negativism toward GM food in many countries (Bredahl et al. 1998, Renton and Fortin 2002).

In this way, scientific inquiries in the context of consumer behavior theory have more specifically investigated which factors contribute to the formation of consumer attitudes toward GMOs (Bredahl et al. 1998) and which characteristics and benefits of the GM food can compensate for the initial negative perception (Frewer et al. 1995).

The experiments presented here had the objective of assessing consumer perceptions and behavioral intentions toward GMOs in the Brazilian market. In addition, they tested whether the presence...
Consumer Attitudes Toward Genetically Modified Foods in the Brazilian Market

Based on previous studies and the concepts of attitudes and involvement, two hypotheses were proposed. Two experiments were conducted to test them, both based in non-probabilistic samples, but with random assignment of subjects. In the first, undergraduates were used as research subjects, while in the second consumers with a wide range of age and education participated in the study.

The first hypothesis predicted that the presence (absence) of genetic modification in the product would result in unfavorable (favorable) consumer attitudes toward the product. Indeed, those who received a message claiming that the product had been genetically modified presented means for consumer attitudes and behavioral intentions that were significantly lower when compared to those receiving a message asserting that the product had not been genetically modified. This result was convergent in both experiments.

The second hypothesis predicted that the presence (absence) of an additional benefit would have any influence, and if so, in what way. Based on previous studies and the concepts of attitudes and involvement, two hypotheses were proposed. Two experiments were conducted to test them, both based in non-probabilistic samples, but with random assignment of subjects. In the first, undergraduates were used as research subjects, while in the second consumers with a wide range of age and education participated in the study.

The first hypothesis predicted that the presence (absence) of genetic modification in the product would result in unfavorable (favorable) consumer attitudes toward the product. Indeed, those who received a message claiming that the product had been genetically modified presented means for consumer attitudes and behavioral intentions that were significantly lower when compared to those receiving a message asserting that the product had not been genetically modified. This result was convergent in both experiments.

The second hypothesis predicted that the presence (absence) of an additional benefit in the GMO would (would not) compensate the negative attitudes toward the GMO. In the first experiment, all three groups with genetic modification and some benefits presented means that were lower when compared to the group with genetic modification but without any benefits. It was found that the group with the low price benefit had the lowest mean and that it was significantly different when compared to the other groups. This pattern was similar in the second experiment, even though the differences were not statistically significant. A possible explanation for these results could be associated with the high income of the participants as well as the minimal influence of the target product (milk) in the total food products they usually buy. Nevertheless, these results also suggest the importance of considering consumer income when trying to measure the attitudes toward GMOs, mainly because low-income consumers tend to be more influenced by the price of food. In the second hypothesis, behavioral intentions also

### Figure 3
Means for Consumer Attitudes and Behavioral Intentions in the Groups with GM

![Graph showing attitudes and behavioral intentions]

### Table 1
Significance of the Factors GM and ADDITIONAL BENEFIT in Four Models

<table>
<thead>
<tr>
<th>Source</th>
<th>Dependent Variable</th>
<th>Model 1 (sig)</th>
<th>Model 2 (sig)</th>
<th>Model 3 (sig)</th>
<th>Model 4 (sig)</th>
</tr>
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<tbody>
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<td>.004</td>
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<td>.000</td>
</tr>
<tr>
<td></td>
<td>Behavioral Intentions</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Additional Benefit</td>
<td>Attitudes</td>
<td>.140</td>
<td>.152</td>
<td>.073</td>
<td>.074</td>
</tr>
<tr>
<td></td>
<td>Behavioral Intentions</td>
<td>.960</td>
<td>.919</td>
<td>.783</td>
<td>.797</td>
</tr>
<tr>
<td>Modification x Benefit</td>
<td>Attitudes</td>
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<td>.044</td>
<td>.119</td>
<td>.135</td>
</tr>
<tr>
<td></td>
<td>Behavioral Intentions</td>
<td>.429</td>
<td>.253</td>
<td>.331</td>
<td>.327</td>
</tr>
</tbody>
</table>

Note. Model 1: no covariates; Model 2: involvement with milk as covariate; Model 3: involvement with milk and involvement with GMOs as covariates; Model 4: involvement with milk, involvement with GMOs, and responsibility of purchasing food for the home as covariates.
followed the pattern of the consumer attitudes even though there were no statistically significant differences. These results are similar to the ones found by Renton and Fortin (2002), in which the benefit tested (i.e. increased shelf life) was not able to offset the negative perception toward the genetically modified product.

It is interesting to note the effect of some demographic variables in the attitudes toward GM food. For instance, in both experiments men presented lower attitudes than women, indicating that the women perceived the new brand (New Life) as more favorable. This result is contrary to some previous studies (e.g. Moerbeek and Casimir 2005, Subrahmanyan and Cheng 2000), which found that women are usually more concerned than men about the health and ethical aspects related to GMOs. However, as the experiments conducted here did not investigate consumer perception toward health and ethical questions when dealing with GM food, these results cannot be directly compared.

In the second experiment, it could also be noted that: (i) higher education was associated with a lower level of behavioral intentions, that is, a higher resistance in buying GM foods, convergent with the information paradox (Moerbeek and Casimir 2005, Ibope 2002); (ii) higher age was associated with a lower level of involvement with GMOs, that is, young people were more interested in GM foods.

In general, it can be concluded that consumer attitudes toward GMOs are negative and that the additional benefits tested here were not able to compensate the initial negative attitude, at least in the case of the product investigated (i.e. milk) and the context (i.e. Brazilian market). The main contribution of the experiments was twofold: (i) the empirical test of the influence of the genetic modification and additional benefits on consumer attitudes in the Brazilian context and (ii) the comparison of these results with the ones found in the literature.

Internal validity could be assessed by means of the manipulation checks and the exclusion of the participants that did not process the information in the expected manner (Perdue and Summers 1986). The external validity, on the other hand, could be enhanced (Lynch 1999) by controlling the effects of other intervening variables (involvement with milk, involvement with GMOs, and responsibility of purchasing foods for the home) and also by replicating the study in a different, more heterogeneous sample.

Some limitations should also be considered: only one category of food product was considered for the manipulations and the sampling process was not probabilistic. Thus, new studies should include new products as targets of genetic modification, such as those made of soybean, and consider a more heterogeneous sample, especially in terms of education and income, which affect the level of knowledge about the subject and the possibility of adopting products not genetically modified as substitutes.

To extend the findings presented here, future studies could also investigate: (i) the fact that “genetic modification” as a fashionable issue might affect consumer attitudes; (ii) the extension consumer culture influences such attitudes (e.g. acceptance of GMOs tends to be higher in the US than it is in Brazil); and (iii) specific benefits of GMOs (e.g. low cholesterol) as affecting attitudes toward GMOs.

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Consumer Attitudes Toward Genetically Modified Foods in the Brazilian Market


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EXTENDED ABSTRACT

The interaction that occurs between a service provider and a customer has received a significant amount of attention in the services research stream. However, there is still little knowledge with regards to how consumers assess service encounters, and even less about what is important to consumers in different countries other than the U.S. Additional research in different cultures is needed to expand the knowledge about preferred service behaviors among consumers.

This research investigated a group of behaviors (caring, courtesy, friendliness, and promptness) to determine their relative importance in interactions with medical and restaurant service encounters and their impact on satisfaction among Mexican consumers. Mexico is worthwhile to examine because it offers a different cultural environment than the previously researched countries (U.S. and Japan). Furthermore, 39.3% of the labor force in Mexico takes place in service sectors, where the technical, professional, personal, and social services employ 3,799,157 workers (INEGI 1999).

This research had the following objectives: First, the identification of the service behaviors that had greater significance for Mexican consumers when interacting in medical and restaurant encounters. Second, the cross-industry comparison to determine whether Mexican consumers have a preference in the behaviors displayed by service providers. Third, the determination of whether these service behaviors had an impact on the satisfaction of Mexican consumers within these specific industries. The service encounter dimensions chosen for this cross-industry study were caring, courtesy, friendliness, and promptness.

The medical and restaurant industries are commonly and frequently used by consumers anywhere in the world, allowing the study of differences between them due to their highly interactive nature but still potential variance on several dimensions (Winsted 1999). The medical industry is represented by interactions of customer with their doctors, and the restaurant industry is represented by sit-down encounters. Professional service encounters, such as the medical, have unique characteristics as the service person usually has an advanced degree and typically the encounter requires a high level of interaction between the parties involved (Brown and Swartz 1989). These requirements and situations are not mandatory in the restaurant industry, where it is not necessary to have an advanced degree and where the levels of interaction can vary based on the type of restaurant (fast food vs. sit-down).

The following hypotheses were tested to determine in which industry the selected behaviors had a greater relative importance and to further establish the relative influence of the service behaviors on customer satisfaction per industry:

H1: Caring will have a greater importance for the Mexican consumers in interactions with doctors than in interactions with waiters.

H2: Courtesy will have a greater importance for the Mexican consumers in interactions with waiters than in interactions with doctors.

H3: Friendliness will have a greater importance for the Mexican consumers in interactions with waiters than in interactions with doctors.

H4: Promptness will have a greater importance for the Mexican consumers in interactions with waiters than in interactions with doctors.

H5: The service behaviors of caring, courtesy, friendliness, and promptness will have a direct relationship with satisfaction in interactions with waiters and doctors for the Mexican consumers.

The statistical analysis aimed to determine in which industry the selected behavior had a greater relative importance and to further establish the relative influence of the service behaviors per industry. A structural equation model per industry was reproduced where the proposed four service behaviors (caring, courtesy, friendliness, and promptness) led to satisfaction with the service provider. Because a model per industry was reproduced, it allowed us to determine in which industry the selected behavior had a greater relative importance, and to further establish the relative influence of the service behaviors per industry. Due to an insignificant critical ratio, the service behavior of promptness was removed in both models. The results were: H1= supported, H2= not supported, H3= not supported, H4= not supported, H5= partially supported.

The results imply that the service behaviors of friendliness, courtesy, and caring are in fact important behaviors that the Mexican consumers prefer in both interactions, waiters and doctors, and that lead to a higher satisfaction with the service providers within these industries. The results present some implications that service providers in the medical and restaurant industry need to address when providing their services in Mexico and possibly Latin America. Friendliness is the service behavior that exerts the most influence on satisfaction with the service provider among the Mexican consumers when interacting with the restaurant and medical industries.

After friendly behaviors, the restaurant and medical settings should aim to offer a service that includes employees displaying courteous and caring attitudes. Employers in these industries can assess whether their offering includes these service behaviors that demonstrated an impact on customer satisfaction. Restaurant and medical services with friendly, courteous, and caring staff will have a positive impact in the satisfaction of these customers. Regardless of the industry, Mexican consumers, and possibly Latin American consumers as well, value friendly behaviors.

Interestingly, Mexican consumers did not show a significant need for promptness. Promptness was not a factor preferred by the consumers, nor had a significant effect on satisfaction with the service providers. This could be interpreted as showing a society that prefers the service behaviors that are oriented to the person rather than to the time factor. Service providers should focus on ensuring that their employees, especially those with a direct customer interaction, display behaviors of friendliness, courtesy, and caring, which will ultimately please the Mexican consumer. Mexican consumers should not be treated with an impersonal fast service.
Once these behaviors are included as part of the service strategy, service providers will certainly deliver a satisfactory service experience for their customers. This will lead to achieving service success where the link between the service provider and the customer will be strengthened through preferred service behaviors. Future research that addresses additional service behaviors and other industries would be appropriate and necessary to expand the knowledge about which behaviors have a greater impact in service encounters.

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**Longitudinal Study of Customer Loyalty and its Antecedents**

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Carlos Alberto Vargas Rossi, Universidade Federal do Rio Grande do Sul, Brazil

**EXTENDED ABSTRACT**

This research serves two purposes: first, to validate and confirm the relationship between loyalty and its antecedents, as well as the measures used in study constructs, using and adapting models that have already been tested; secondly, and most importantly, to evaluate the evolution of these relationships in a longer period of time, contributing to the understanding of loyalty over time, serving as a way to direct future academic research efforts (e.g., how customer loyalty is formed).

Among the possible models that would serve this purpose, the model proposed by Agustin and Singh (2002) was chosen. It shows satisfaction, trust, and value as antecedents of loyalty.

A longitudinal study was conducted. A survey revealed that products mostly indicated for evaluation were supermarkets, gas stations, and beers. In order to do so, the research design was divided into two stages: initially, an exploratory stage was carried out, presenting a qualitative character, responsible for subsidizing the following stage; then, a descriptive stage was performed, having quantitative characteristics, responsible for the research conclusions. In short, the longitudinal study was conducted through four waves, with intervals ranging among themselves (seven, seven, and 17 weeks, respectively), with total time of approximately 31 weeks.

The population of the research was composed of undergraduate students of Business at a private Brazilian university.

Results found in the first wave show that satisfaction, trust, value, and loyalty are differently related, according to the product. Another highlight is the strength of customer satisfaction in the formation of value, trust, and specially loyalty.

Particularly regarding trust, a shift in focus can also occur: for supermarkets, there may be a higher trust on brands for sale than on the supermarket itself; for gas stations, there may be a higher trust on the location than on the brand; for beers (even being a tangible good), there may be a shift in trust for the restaurant or bar (which are responsible for serving them cold, a preference of the Brazilian consumer).

The longitudinal stability of relationships among the proposed constructs for supermarkets and beers encourages the use of longitudinal studies for understanding these casual relationships. For both cases it is possible to affirm that, for instance, trust has no significant impact on loyalty, remaining unaltered over time. Nevertheless, since this stability is not present in gas stations, a correct specification of the model at the initial moment of the survey should be made.

Considering the results achieved, this article offers some contributions to the theoretical and methodological discussion of consumers’ loyalty, both as a cross sectional evaluation, at a specific moment, when the behavior of the proposed model for each product can be evaluated, and as a longitudinal evaluation, main focus of this article, considering the four data collection waves through a 31-week research period.

Moreover, this article contributes to the marketing literature as it proposes an evaluation of the formation of loyalty, but conforms this evaluation using the longitudinal approach, trying to understand how the loyalty determinants act on it over time.

Results showed different behaviors of the proposed model for surveyed products, both at the beginning of the data collection process (first wave) and during its development, showing that there are other factors, which were not studied, influencing customer loyalty and behavior through the relationship between the customer and the brand. Therefore, there is margin for new investigations aiming at deepening the knowledge on customer loyalty over time.

Concerning possible developments of the research, an initial suggestion would be to evaluate other models longitudinally, testing other relationships among constructs, thus enriching interpretation and widening the validity of results.

Another suggestion would be to search new conformations for the same model (loyalty determinants), considering other constructs (e.g., perceived quality, commitment, cultural aspects, etc.) or exploring other conformations in the relationships among the same constructs, such as the inclusion of value as an antecedent of customer satisfaction, as proposed by Jones and Sasser (1995) and Lee and Overby (2004).

Considering that the formation of loyalty involves, besides the buying behavior, an attitudinal dimension of the customer towards the brand (Day 1969; Dick and Basu 1994), it is easy to imagine this process to be slow and gradual. Longer longitudinal studies to evaluate loyalty are highly recommended.

Still referring to loyalty, construct measurement should be addressed again. It is recommended to measure loyalty intensity appropriately. The behavior of models like the one tested in this study is likely to be different in cases in which there is, in fact, loyalty similar to the “ultimate loyalty” (Oliver 1999).

Another possible focus of future study is to evaluate the formation of loyalty in different customer groups. It can be supposed that, in a one-year longitudinal study, for instance, such period would have a higher impact on customers who have been using a supermarket or gas station for one year than for those who have been customers for five years. Analyzing this issue in depth was limited in this study due to sample matters.

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What Influences Satisfaction in Purchasing High-Value Goods?
An Empirical Analysis from the Brazilian Real Estate Industry

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Delane Botelho, EBAPE-FGV, Brazil

ABSTRACT
This research examines customer trust in the salesperson and company as well as customer perception of product value and quality as factors that affect purchase satisfaction in the pre-construction real estate industry. We developed a theoretical model and tested it empirically using Structural Equation Modeling. The results suggest that trust in the real estate broker influences customer satisfaction. Furthermore, perceived product value and trust in the homebuilder influence satisfaction with the purchase whereas perceptions of product quality had no influence. Based on our findings, we discuss implications for marketing researchers and practitioners.

INTRODUCTION
Over the past two decades, many changes have occurred in Brazilian organizations, laws and information access as a result of the globalization of capital. This new phase of development in world capitalism has stimulated people to change their way of thinking, analyzing and perceiving products and service providers. Marketing studies in different countries have followed this tendency and several previously neglected variables such as trust, satisfaction, loyalty and quality have now been extensively studied. Both international research (Doney and Cannon 1997; Oliver 1999; Sirdeshmukh et al. 2002) and that in Brazil (Brei and Rossi 2002; Santos 2001) confirm this tendency.

This article proposes and tests a conceptual model of trust, both in the salesperson and in the company, and of the client’s perception of the value and quality of the product, as antecedents of customer satisfaction with high-value purchases of residential properties (either pre-construction or during construction). We have observed an absence of research on trust and satisfaction in high-value purchases, and on the need to examine the importance of customer perceptions of products and salespersons in the real estate market, mainly in the Latin American context. Thus we investigate the following problem: Are customer perceptions of trust, value and quality antecedents to customer satisfaction with purchases of residential real estate in the pre-construction stage?

The article is structured in the following manner: This introductory section presents the justifications for the research and the objectives involved. The second section contains the theoretical basis for the model. The third section presents the research methodology, including operationalization of variables, as well as the procedures for collecting and analyzing data. The fourth section shows the results and analysis thereof. The closing section lists the main conclusions, implications for management and marketing research, and suggestions for future research.

THEORY AND HYPOTHESES
A high-value purchase is characterized by detailed purchase planning, the participation of all interested parties in the purchase decision, and further research into the prices and brands to be acquired (Dias 2003). In the case of real state, along with the price of the property, other factors such as tying up income, financing, type of construction, savings expenditures, property location and quality of construction often add a psychological cost to the purchase and create a far greater perception of risk than that associated with the value of the product.

Because our analysis is restricted to pre-construction real estate sales (as-yet-intangible products), service-marketing literature proved valuable as services are essentially intangible. The material/physical reality of a product such as “pre-construction” or “under-construction” real estate may not be appreciated until long after the purchase is made. However, such intangibles, when supported by models, blueprints and construction-site visits, may boost the trust of the potential clients in their purchase evaluation thereby reducing the influence of word-of-mouth communication, which complicates consumer evaluation in such purchases (Berry and Parasuraman 1995). The theoretical definitions and hypotheses of this research are presented below.

Trust. Many authors have studied trust as an important construct in client relationships, generating a large array of definitions (Bigne and Blesa 2003; Doney and Cannon 1997; Santos 2001). Santos (2001) defines trust as “a psychological state involving an intention to accept vulnerability based on positive expectations about the intentions and behavior of a third party”, and concludes that trust has a direct impact on loyalty and is fundamental to the development of strong and lasting relationships between consumers and organizations.

According to Santos and Rossi (2002), consumer trust in the service context is a two-faceted construct—trust in the employees and trust in managerial practices. As a counterpoint, this paper focuses only on trust in the person who is in contact with the client regarding the sale of the property, in other words in the real estate broker, and does not analyze the influence of managerial practices of the companies involved in the sale. Santos and Rossi (2002) also indicate that in any long-term relationship trust is associated with qualities such as consistency, honesty, integrity, responsibility and benevolence, and plays a central role in promoting cooperation between the parties. However, for Garbarino and Johnson (1999), the psychological benefit of trust is more important than any special treatment given or the social benefits involved in the relationship between consumers and service companies.

Trust in the Real State Broker. When the potential client goes to the homebuilder’s sales stand, he/she has acknowledged a need and is in the follow-up stage of the purchasing process. At this stage, the broker plays an important role in providing information about the property such as location, layout, quality, leisure options, price, delivery schedule and financing. Nearly half of prospective customers fail to decide on the purchase of an apartment during a visit to the stand, even though they have all the necessary information. For this reason, the relationship between the broker and the client may intensify with the passing of time (Mutran 2003). Crosby et al. (1990) show that trust in the salesperson is a dimension of the quality of the relationship and understand that trust is essentially the client’s belief in the honesty and integrity of the salesperson.

Additionally, Doney and Cannon (1997) define trust as the client’s perception of the credibility and benevolence of the salesperson and report that this trust is not related to the choice of purchase. Similarly, Suh and Han (2003) understand that trust has three characteristics: (1) competence: client belief that the salesperson has the ability to do what needs to be done; (2) benevolence: client belief that the salesperson wants to do the best for her/him; and, (3) integrity: client belief that the salesperson is honest, ethical, and reliable.
The definitions of trust by the authors cited above generally show that it is linked to conditions of quality, rather than economic considerations. However, this does not invalidate the fact that lack of trust may render the completion of the negotiation unviable. Consequently, in this article, trust in the broker is seen as the psychological benefit constructed on the basis of the integrity, credibility, benevolence, dignity and sincerity perceived by the client (Doney and Cannon 1997; Garbarino and Johnson 1999; Suh and Han 2003).

**Trust in the Homebuilder.** A purchase that generates anguish for the buyer reflects negatively on the image of the product or of the company. A corporate or brand image is the combined set of perceptions and associations that the consumer develops vis-à-vis the product (Dias 2003). This market image is an indication of the credibility of the company or of the product.

Morgan and Hunt (1994) suggest that trust exists when one party, in this case the client, believes in the trustworthiness and integrity of the partner involved in the negotiation, namely the company. Similarly, Andaleeb (1996) defines trust in the company as the readiness of one party to trust in the behavior of the other party involved in the negotiation, especially when this behavior has implications in the results for the party that extended such trust. The act of bestowing trust by the client is preceded by the belief that the company will negotiate fairly to achieve favorable results for both parties.

In Brazil, trust in homebuilders was adversely affected by bankruptcies such as that of ENCOL S.A., which had been the largest company in the civil construction sector during the 1980s. Since this bankruptcy, consumers have become more watchful and aware of the performance of construction companies (Neder 2004). We therefore define trust in the homebuilder as the client’s perception of the integrity, honesty and credibility of the company.

**Satisfaction.** According to Chauvel (2000), satisfaction is a psychological state resulting from an evaluation process that compares a pre-existing internal reference with the real effects of the purchase. For Chauvel, any human behavior is a “symbolic action” which is situated within the context of a given relationship. Nevertheless, Crosby and Stephens (1987) establish that the satisfaction of the consumer has three facets: satisfaction with personal contact, with the services rendered and with the company.

**Satisfaction with the Real Estate Broker.** Here, it is an antecedent construct to “trust in the salesperson.” Client satisfaction with the salesperson reflects an “emotional state that occurs in response to the evaluation of this interaction of experiences” (Westbrook and Oliver 1991). Ganesan (1994) analyzes satisfaction as a precursor to trust, and contends that customer satisfaction with the retailer over preliminary results will increase if the supplier is perceived to possess benevolence and credibility. Similarly, Bigne and Blesa (2003), who focus on the social rather than the economic standpoint in relation to satisfaction, argue that trust and satisfaction are correlated and could equally be prior or subsequent, proving that the relationship of satisfaction with trust is positive and significant. Therefore, satisfaction with the real estate broker who closed the sale is understood as an emotional state that occurs in response to the evaluation of the relationship as perceived by the client.

**Satisfaction with the purchase of the property.** This is a construct derived from trust in the salesperson (broker) and in the supplier (homebuilder), as presented in studies by Mückenberger (2001) and Garbarino and Johnson (1999). The property purchase decision is usually accompanied by a phase of insecurity and anxiety. Mückenberger (2001) ascertained that the link between the intention and satisfaction with the purchase is regulated by trust. Likewise, Garbarino and Johnson (1999) demonstrate that total satisfaction is a positive evaluation, surpassing expectations, based on the purchase and the consumption experience.

Oliver (1999) established that satisfaction with the purchase is a temporal post-usage state resulting from a unique consumption situation or of repeated experiences that reflect how a product achieved its desired result. Satisfaction with the purchase of a property is defined here as a psychological state constructed on the basis of anticipated, perceived and sustained trust during the purchase and in accordance with the client’s perceptions regarding the quality and value of the product. (Day 1984 apud Westbrook and Oliver 1991).

**Characteristics of the Real Estate Broker.** In Doney and Cannon’s (1997) study, the building of trust is also affected by the characteristics of the salesperson. According to purchaser evaluations, a good salesperson is friendly, pleasant and agreeable. Salespeople affirm that in order to gain the client’s trust, the latter must identify them as a person worthy of respect or even as a friend (Swan et al. 1985). Here, the characteristics of the real estate broker include: (a) the client’s perception of the broker’s knowledge of the product; and, (b) the amiability that exists between the broker and the client.

**Previous Experiences and Relationships with Real Estate Brokers in General.** Doney and Cannon (1997) consider that trust may be affected when consumers interact with the salesperson in several situations, such as in previous purchases, informal research contacts or even through the evaluation of friends and the media. The frequency with which salespeople and clients communicate about business or for social reasons has proven to be the key determinant for the maintenance of relationships involving trust (Crosby et al. 1990). Therefore, previous experiences with real estate brokers are taken here to include the variety of situations that clients have experienced and from which they have perceived the capacity, availability and ability of real estate brokers in general.

**Perceived Value of the Product.** From the client’s perspective, the price represents the amount that she/he is prepared to pay to obtain the product (Rocha and Christensen 1987, 134). However, the perceived value is the “summary evaluation of a product by a client, taking into consideration the benefits and the price, whereby the total perceived value is equal to the perceived benefits plus the perceived price” (Valle 2003, 110). The definition most frequently used in marketing literature is that proposed by Zeithaml (1988, 14): perceived value is the consumer’s general evaluation of the utility of a product based on perceptions of what is received and what is given.

**Perceived Quality of a Product.** The perceived quality of a product comprises the attributes to which the client confers relative importance and which satisfy needs or expectations (Valle 2003, 105). Attributes are characteristics pertaining to the product, in this case the property, which are perceived as benefits by the consumer, such as the layout or location. Similarly, Leitão and Formoso (2000) note that clients analyze the property in a broader manner, by including in their perception of satisfaction not only the physical object itself, but also the services that it has to offer.

Urbaní et al. (1997) suggest that perceptions of quality based on differences in price is more likely to be a factor during the decision-making phase when the client is evaluating information. Using measured language, salespeople can therefore create legitimacy in both quality and price for clients in pre-purchase situations when quality is difficult to evaluate. In our study we noticed during the exploratory phase of the research that the perceived quality of the product is linked in the majority of cases to four attributes, namely: (1) the quality of construction, perceived through the specifications for fixtures and fittings, prior knowledge of works by
the same company or by following the work during the construction phase; (2) the layout of the apartment, perceived through practical assessment and whether it matches the interests of the purchaser; (3) the location, perceived in terms of the proximity of the building in relation to the workplace, homes of family members, shopping facilities, etc.; and, (4) the services offered in the building, such as leisure areas, security, etc. Therefore, perceived product quality is defined as comprising the foregoing attributes, to which the client confers relative importance and which satisfy her/his needs and expectations.

**Definition of the Research Hypotheses.** In order to address the research problem, seven hypotheses were tested. These are presented below.

The purchase of a property is normally well planned and is charged with sentiments such as stress, the “dream of owning one’s own home” and many others that are all part of high-value purchasing. Therefore, trust is an important construct because the perception of trust by the client may affect satisfaction with the purchase of the property. Bigne and Blesa (2003) concluded that the greater the trust, the greater the satisfaction. In this paper, it is understood that trust in the real estate broker is a construct that influences the client’s perception of satisfaction with the purchase of the product, which refers to the first hypothesis:

**H1:** Customer trust in the real estate broker has a positive correlation to satisfaction with the purchase of the property.

Nevertheless, trust in the real estate broker might also be influenced by other constructs, such as: (1) satisfaction with the real estate broker; (2) characteristics of the real estate broker; and, (3) previous experiences and commercial relationships with real estate brokers in general. The first construct involves satisfaction, such as the client’s perception of the level of service and the style of negotiation. For Ramsey and Sohi (1997), trust and satisfaction with the salesperson are important in the initial stages of the relationship and are fundamental for establishing more lasting relationships. With respect to the second construct, namely the characteristics of the broker, profile, knowledge and credibility are considered essential factors in building trust (Doney and Cannon 1997). Similarly, Ganesan (1994) asserts that retailers who perceive that suppliers have a reputation for integrity tend to trust them. The other construct involves the previous experiences that the client has had with real estate brokers in general. Crosby and Stephens (1987) believe that the frequency of personal contact between the parties involved in the negotiation has a strong influence on total satisfaction. In this paper, personal experiences with brokers were based on the perceptions of clients with prior broker contact through the purchase of previous apartments, recommendations of friends, or even an extended property search. Broker attributes such as knowledge, experience and level of interest may have an influence on the perceived trust of clients. The preceding discussion suggests the following hypotheses: H2, H3 and H4.

**H2:** Satisfaction with the real estate broker directly affects the perceived trust of the client in the real estate broker.

**H3:** The characteristics of the real estate broker have a positive effect on the perceived trust of the client in the real estate broker.

**H4:** Prior experiences and relationships of clients with real estate brokers have a positive effect on the perceived trust of the client in the real estate broker.

Many marketing studies support the positive relationship between trust and satisfaction [for example, Crosby et al. (1990) and Bigne and Blesa (2003)]. Building trust in the homebuilder is associated not only with previous relationships with the company, but more importantly, with the credibility the latter has in the marketplace. Hence we propose that:

**H5:** Client trust in the homebuilder has a direct influence on satisfaction with the property purchase.

The evaluation of the perceived value of the product by the client is normally analyzed in routine and sporadic purchasing relationships, as in the work conducted by Sirdeshmukh et al. (2002), in which value is perceived positively through the trust shown by front-line employees. For Crosby and Stephens (1987), buyers have the information they require to evaluate the price in relation to the value of the overall service package, including the peripheral services and the principal. Therefore, the perceived value is associated not only with the price stipulated for the sale, but also with the effort involved in the acquisition of the property, as well as the perception of benefit in relation to the amount paid. Also, there are attributes perceived by clients which influence the choice of property and consequently the satisfaction with their purchase. We therefore propose the following hypotheses:

**H6:** The perceived value of the product by the client has a direct influence on satisfaction with the property purchase.

**H7:** The perceived quality of the product by the client has a direct influence on the satisfaction with the property purchase.

Starting with the studies carried out by Doney and Cannon (1997), Bigne and Blesa (2003) and Ganesan (1994), the proposed research model is presented in Figure 1.

**METHODOLOGY**

Measures. In order to measure the latent variables, scales were adapted from existing models available in the literature. All questions were legitimated through exploratory research with a pilot group and through extensive pre-testing of the questionnaire. Table 1 provides a summary of the indicators of the variables and the original scales.

**Sample and Data Collection.** The sample population consists of all the people who purchased an apartment built by one selected development company over the years 2000–2004 in the city of São Paulo, Brazil. Structured data collection was made from the database of several construction projects by a single developer and a single real estate brokerage. It was therefore conditioned by limitations in data collection and by the willingness of the company to participate in the research.

The primary data were obtained through structured questionnaires containing multiple-choice questions, applied through telephone interviews. Likert scales (ranging from “strongly disagree” to “strongly agree”) and semantic differential scales (extremes associated with bipolar labels) were used with five response categories.

For pre-testing the questionnaire, a pilot convenience group of twenty people was chosen from the population. Employees in the homebuilder/real estate company’s call center applied the final questionnaires during the months of April and May 2004, with a sample of 270 respondents who purchased apartments for their own residential use. Table 2 presents the characterization of the sample.
Verification of Measures and Analysis of Data. The internal consistency of each construct was evaluated using Cronbach’s Alpha. The values found varied from 0.51 to 0.87, though for the variables $x_2$ (characteristics of the real estate broker) and $x_6$ (perceived quality of the product), values of 0.51 and 0.53, respectively, were found. The remaining constructs scored values above 0.73 after removal of some indicators. The results obtained are in Table 3. Furthermore, after the removal of those indicators an exploratory factorial analysis was conducted to evaluate the dimensionality of the constructs. All the constructs were found to be unidimensional. Subsequently, a confirmatory factorial analysis was conducted in the measurement models. The values obtained for the factorial weights were significant, with the exception of $x_6$.

Finally, analysis of the data of the full model was conducted using the Polychoric Correlation Matrix (PM), based on Structural Equation Modeling (SEM). We ran the structural and measurement models simultaneously using Lisrel 8 software.

**ANALYSIS AND RESULTS**

In general the goodness-of-fit indices demonstrated that the proposed model did not fit the data properly. Therefore, in light of the evaluation of estimated factorial weighting, modification indices and $t$ values, the model was altered in an attempt to achieve better fit. This modification was achieved through deletion of variables and no other path between the variables or linking of indicators with different latent variables from the original model was added, since there was no theoretical or practical justification for doing so. The comparisons of the results obtained after the main modification are described in Table 3.

The criterion for deletion of variables from the model was based on the low values obtained in the estimates of the parameters and the $t$ values of $x_6$ (1.59), $x_2$ (0.16) and $x_3$ (0.65) in the initial model ($p < 0.05$). Furthermore, the low internal consistency of $x_2$ and $x_6$ had already been noted, thus corroborating the decision to remove these variables from the model. The model with the best adjustment was model 4, referred to here as the final model.

By analyzing the measurement and structural models separately, it was found that the $R^2$ values (multiple correlation coefficient) of the indicators are high, proving that the variance proportion of the indicator that is explained by its latent variable is high, which would suggest reliability of indicators with values above 0.50 (Byrne 1998,107). Table 4 presents the $t$ values between the indicators and the constructs in the final model.

In the evaluation of the structural model, an attempt was made to establish whether these relationships are supported by the data. Consequently, three aspects were considered: (1) the signs of the parameters of $\gamma$ and $\beta$; (2) the magnitude and significance of $\gamma$ and $\beta$; and (3) the values of $R^2$ for the structural equations (Byrne 1998, 107). In terms of hypothesized relationships, the results support hypotheses 1, 2, 5 and 6 and reject hypotheses 3, 4 and 7, as presented in Table 5.

From Figure 2, one detects marked improvement in some indices of adjustment in the final model, indicating that the modifications made were adequate. The RMSEA values indicate good fit, and both values found for GFI and CFI in the final model are closer to 1, indicating better matching of the latter in relation to the initial model. The final model is presented in Figure 2.

**CONCLUSIONS**

The focus of this research was to propose a model to assess customer trust and satisfaction in the real estate sector, thereby indicating that trust is present not only in long-term relationships with clients and salespeople or organizations, but also in high-value purchases.

The non-rejection of hypotheses H1, H5 and H6 leads us to the conclusion that, in the sample analyzed, trust in the real estate broker,
as well as in the homebuilder, and the perceived value of the product are antecedents to satisfaction with the purchase of an apartment. It was also seen that the perceived quality of the product does not influence this satisfaction. Therefore, trust, which is an important construct in relationship marketing, would seem to be a relevant variable in satisfaction with the property purchase, with direct managerial implications for professionals working in the real estate sector.

With the rejection of hypotheses H3 and H4, it was evident that characteristics of the real estate broker, as well as prior experiences and relationships of the client with brokers in general do not influence trust in the broker. The results are similar to those found by Doney and Cannon (1997), as some dimensions of the characteristics of the salesperson, such as ability, prior experiences and relationships such as social interaction with the salesperson, were not linked to trust in the latter. Furthermore, recommendations of the aforementioned authors emphasize that the evaluation of the trust-building process may be better applied to salespeople as company representatives. This would seem to indicate that the inclusion of managerial practices of the real estate company or even the homebuilder in future research may contribute to validation of the results of this paper, as these were not considered here. Nevertheless, the non-rejection of H2 leads one to conclude that satisfaction with the real estate broker has a positive impact on the client’s

<table>
<thead>
<tr>
<th>Model Variables</th>
<th>Indicators</th>
<th>Original Scale</th>
</tr>
</thead>
</table>
| Trust in the Real Estate Broker (Cc)-$\eta_1$ | 1. Approachability of the broker  
2. Sincerity of the broker  
3. Risk involved in the negotiation  
4. Honesty of the broker  
5. Concern with the interests of clients | Ramsey and Sohi (1997)— degree of credibility. |
| Satisfaction with the Real Estate Broker (Sa) - $\xi_1$ | 1. Tranquility of negotiation  
2. Level of service rendered  
| Characteristics of the Real Estate Broker (PF) - $\xi_2$ | 1. Friendliness of the broker  
2. Knowledge of the broker  
| Previous Experiences and Relationships with Brokers in General (ER) - $\xi_3$ | 1. Approachability of the broker  
2. Sincerity of the broker  
3. Risk involved in the negotiation | Doney and Cannon (1997)— expertise of the salespeople and the frequency of their contact with clients |
| Trust in the Homebuilder (CC) - $\xi_5$ | 1. Security, trust in homebuilder  
2. Sincerity of Homebuilder  
| Perceived Value of the Product (VP) - $\xi_6$ | 1. Price paid  
2. Effort involved in the purchase | Sirdeshmukh et al. (2002)— value perceived through price paid and effort involved in purchase. |
| Perceived Quality of the Product (QP) - $\xi_7$ | 1. Quality of construction  
2. Quality of apartment layout  
3. Layout of property  
4. Services offered | Urbany et al. (1997)— quality of the apartment announced for sale. |
| Satisfaction with the Property Purchase (Sal) - $\eta_2$ | 1. Satisfaction of need  
2. Satisfaction with decision  
3. Satisfaction with choice | Oliver (1999) and Westbrook and Oliver (1991)— satisfaction with the purchase of the property. |
TABLE 2
Characterization of the Sample

<table>
<thead>
<tr>
<th>Received the Property</th>
<th>Sex</th>
<th>Marital Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>3.70%</td>
<td>42.22% Single</td>
</tr>
<tr>
<td>No</td>
<td>96.30%</td>
<td>57.78% Married</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Family Income</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>Less than R$ 1,500.00/mo</td>
<td>High School incomplete</td>
</tr>
<tr>
<td>26–35</td>
<td>R$ 1,500.00– R$ 3,000.00</td>
<td>High School completed or University</td>
</tr>
<tr>
<td>36–45</td>
<td>R$ 3,001.00– R$ 5,000.00</td>
<td>University graduate</td>
</tr>
<tr>
<td>46–55</td>
<td>R$ 5,001.00– R$ 10,000.00</td>
<td>Post-Graduate Studies</td>
</tr>
<tr>
<td>Over 56</td>
<td>More than R$ 10,001.00</td>
<td>Not Answered</td>
</tr>
<tr>
<td>Not Answered</td>
<td>Not Answered</td>
<td>16.30%</td>
</tr>
</tbody>
</table>

TABLE 3
Comparison of the Results of the Models Tested

<table>
<thead>
<tr>
<th>Sub – Models</th>
<th>Parameters Modified</th>
<th>²</th>
<th>Degrees of Freedom</th>
<th>RMSEA</th>
<th>ECVI</th>
<th>RMR</th>
<th>GFI</th>
<th>PNFI</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Initial</td>
<td></td>
<td>849.55</td>
<td>168</td>
<td>0.00</td>
<td>3.13</td>
<td>0.13</td>
<td>0.80</td>
<td>0.63</td>
<td>0.82</td>
</tr>
<tr>
<td>2</td>
<td>Deleted one variable-</td>
<td>456.41</td>
<td>393.14</td>
<td>119</td>
<td>0.00</td>
<td>1.94</td>
<td>0.07</td>
<td>0.85</td>
<td>0.68</td>
</tr>
<tr>
<td>3</td>
<td>Deleted two variables-</td>
<td>338.10</td>
<td>118.31</td>
<td>93</td>
<td>0.00</td>
<td>1.42</td>
<td>0.07</td>
<td>0.88</td>
<td>0.69</td>
</tr>
<tr>
<td>4 Final</td>
<td>Deleted three variables-</td>
<td>298.82</td>
<td>39.28</td>
<td>70</td>
<td>0.00</td>
<td>1.20</td>
<td>0.07</td>
<td>0.88</td>
<td>0.69</td>
</tr>
</tbody>
</table>

RMSEA – Root Mean Square Error of Approximation, ECVI – Expected Cross-Validation Index, RMR Standardized – Root Mean Square Residual, GFI – Goodness-of-Fit Index, PNFI – Parsimony Normed Fit Index, CFI – Comparative Fit Index.

TABLE 4
Statistical Values of the Measurement Models (Final Model)

<table>
<thead>
<tr>
<th></th>
<th>Trust in the Broker (α=0,81)</th>
<th>Satisfaction with the Purchase (α=0,88)</th>
<th>Satisfaction with the Broker (α=0,92)</th>
<th>Trust in Homebuilder (α=0,85)</th>
<th>Perceived Value of the Product (α=0,73)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ce2b</td>
<td>(19,01)a</td>
<td>(19,52)</td>
<td>(18,62)</td>
<td>(18,99)</td>
<td>(10,36)</td>
</tr>
<tr>
<td>Ce4</td>
<td>(18,85)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ce5</td>
<td>(14,44)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SaI2</td>
<td></td>
<td>(21,59)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sa2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sa3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VP2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a t values between parentheses  b Indicators missing are value 1.0 for factor loading parameter.
perceived trust in the brokerage firm, that is in line with literature on the subject, which indicates that satisfaction influences trust, and vice versa.

With respect to the perceived quality of the product, the rejection of H7 indicates that this does not influence satisfaction with the purchase. It is assumed here that the fact that the majority of those interviewed (96%) had not as yet taken delivery of the property purchased may have biased this result. Therefore, we suggested that a specific scale be developed for situations where the quality of the product is difficult to perceive, as in the case of this paper.

New studies may examine the relationship of precursors of trust in the real estate sector. No paper was found in Latin American marketing literature that empirically analyzes trust in real estate brokers in the purchase of a property, nor in a homebuilder. Future research may identify and develop specific areas of interest to companies in the sector, for example interviewing clients who did not purchase a property after a visit to the sales stand. Comparative research of the final model obtained with samples collected from other countries in Latin America is also recommended.

REFERENCES


Food Symbolism and Consumer Choice in Brazil
Michael W. Allen, University of Sydney, Australia
Claudio V. Torres, University of Brasilia, Brazil

ABSTRACT
The present study investigated the symbolic meaning of meat in Brazil, by exploring the values endorsed by meat buyers and how these values influence food choice. A survey of 378 Brazilians found that vertical values predicted red meat consumption beyond that accounted by attribute importances, implying that social hierarchy is a cultural association of red meat in Brazil. This finding calls to mind the intriguing proposal of some sociologists and anthropologists that red meat symbolizes hierarchy in cultures that have hierarchical social relations.

INTRODUCTION
In a series of studies, Allen and his colleagues (i.e., Allen & Baines, 2002; Allen & Ng, 2003; Allen, Wilson, Ng, & Dunne, 2000) found that individuals make dietary choices by examining the cultural and symbolic meanings of a food. For instance, Allen and Ng (2003) found that red meat symbolizes the endorsement of social hierarchy more than other food groups, and that individuals compare this meaning to their self-concept. The more an individual personally supports hierarchy, the more favourably he or she evaluates the symbolic meaning of red meat and, by extension, red meat itself. However, that research is limited in that Allen’s studies were carried out in two nations (i.e., Australia and New Zealand) that are from the same cultural group, i.e., what Huntington (1996) terms “Historically Protestant.” This limitation is important because some sociologists and anthropologists from the US, UK, and other Historically Protestant nations qualify their claim that red meat symbolizes hierarchy to their own cultural group (e.g., Heisley, 1990; Twigg, 1983). Thus, we might expect that Allen’s finding that the endorsement of hierarchy guides red meat attitudes is restricted to Historically Protestant nations.

On the other hand, other sociologists and anthropologists suggest that red meat symbolizes hierarchy in some cultures that are not Historically Protestant (e.g., Barthes, 1957). One interesting proposal by some theorists is that red meat symbolizes hierarchy in cultures that have hierarchical social relations (e.g., Adams, 1990; Douglas, 1973; Fiddes, 1991; Sanday, 1981). Thus, the key issue is not whether a nation is Historically Protestant but the extent to which the culture is hierarchical. We would expect that in nations that have greater social hierarchy, individuals within the nation form red meat attitudes by comparing the hierarchy symbolism of red meat to their own human values. As a starting point on this claim, we sought to examine food choice in a nation that endorses social hierarchy but is a different cultural group than Australia and New Zealand. Hence, we selected Brazil, which is “Historically Catholic” (Huntington, 1996) and where social hierarchy is supported and endorsed by its members (Torres & Dessen, 2003). The World Bank (2002) reports that Brazil has greater income inequality than Australia and New Zealand. Thus, we predict that the endorsement of social hierarchy will form the basis to Brazilians’ red meat attitudes and consumption.

In psychology, explanations with a social-cognitive orientation have prevailed in the consumer behaviour field, as with other areas of psychology. Some traditional economic theories envisage the value of a product as solely its exchange value in the market. On the contrary of those, other researchers (e.g., Dittmar, 1992; Richins, 1994) suggest that what gives a product value is what the product means to consumers. The meaning attributed to the product may encompass two broad categories: utilitarian and symbolic. The utilitarian meaning represents the tangible and functional aspects of the product that allow the individual to control the environment. In this category, the meaning is derived from the practical utility of the product, and is intrinsically linked to the product’s efficiency and performance. An example the utilitarian meaning of red meat is its nutritional benefits, such as its high-protein content (i.e., the meat’s tangible attributes).

Attributes that are intangible and culturally shared are the image or symbolism of the product. Thus, symbolic meaning is connected to the culture of a group (Dittmar, 1992). However, as Kilbourne (1991) alerts, the term symbolic does not imply the lack of utilitarian meaning. Rather, the term “refers to an object which symbolic meaning takes precedence over the functional” (p. 405). As an example of symbolic meaning we can observe the social “status” associated with premium cuts of red meat, in part because of the luxury that these cuts might represent in some societies.

Based on this distinction between utilitarian and symbolic product meanings, Allen and colleagues (e.g., Allen, 2000; Allen, 2001; Allen & Ng, 1999) proposed a “two-route” model to describe the influence of human values on consumer choice. Previous models (e.g., Gutman, 1982; Lindberg, Garling & Montgomery, 1989; Scott & Lamont, 1973), based partly on the multi-attribute model (Fishbein, 1967), suggest that the human values would influence consumer choice through only one route: by influencing the product attribute importances. So, a calculative and rational product evaluation would be the responsible for the product choice. In contrast, Allen suggests that human values will shape product choice through two routes. First, when consumers are evaluating the utilitarian meaning of the product and, thus, making a piece-meal, attribute-by-attribute judgment, human values influence the importance given to tangible product attributes, which would then sway the product preference. For example, the human value “a life of excitement” might lead an individual to place higher importance on a tangible attribute such as “fast engine”, which in turn leads the individual to form a positive attitude toward Ford Mustangs. However, when consumers are evaluating the product’s symbolic meaning and making an intuitive and affective judgment about it, human values would influence the product preference directly. In particular, Allen (2002) showed that individuals examine the human value content of a product’s image: the more they support the value, the more they like the product.

Allen’s “two-route” model has been tested with several products and services, such as holiday destinations, cars, eyeglasses, and food items (e.g., Allen, 2000; Allen & Ng, 1999). While studying a basic food item, i.e., red meat, Allen and Ng (2003) acknowledged its important position in the food system, and also recognized the human value symbolism attached to this product. It has been suggested that red meat is one of the most culturally valued foods in Western society (Douglas, 1973), that it depicts a “power” symbolism (Fiddes, 1991; Twigg, 1983), being associated with the qualities of aggression and strength, and symbolizing environmental control more than other foods. In essence, red meat appears to symbolize the endorsement of hierarchy and inequality within the society. As a result, people from those societies might choose to consume meat because they personally endorse the values symbolized by red meat. Allen and Ng (2003) provided evidence for this relationship. They observed that the Australian public perceives red meat as symbolizing the endorsement of hierarchy values more than other food groups, and symbolizing hierarchical power more than
other values. Also, they found that individuals who endorse hierarchy and inequality values had more favourable red meat attitudes. Allen et al. (2000) also found, as expected, that omnivores more strongly supported social dominance orientation, a value closed associated with hierarchy. Allen and Baines (2002) found that making the hierarchy symbolic meaning salient to participants strengthened the relationship between hierarchy endorsement and red meat attitude.

The concept of verticality (Singelis, Triandis, Bhawuk, & Gelfand, 1995) brings the recognition that inequalities between people necessitate a certain amount of conformity in the service of hierarchy, while horizontalness increases the sense that individuals should be free from others’ influences. There is some scientific evidence (e.g., Triandis & Gelfand, 1998; Triandis, Chen, & Chan, 1998) demonstrating the importance of knowing whether a culture is more vertical or horizontal.

We could assume that Brazilian culture is an example of a culture where verticalism is the preferred cultural pattern. Traditionally, Brazil has been categorized as a collectivist culture (e.g., Hofstede, 1980; Van Horn & Marques, 1999). So, as members of a collectivist society (Hofstede, 1980), Brazilians see themselves as belonging to an in-group. Yet, Brazilians see the members of their in-group as different from each other (Dessen & Torres, 2002), some having more status than others. Furthermore, it was suggested that Brazilians recognize and accept inequality and differences in status (Pearson & Stephan, 1998).

Candido (1972), using a metaphor to discuss the Brazilian national culture, suggested that Brazil could be represented by a picture of a large family, in which there are few formal rules but a consensus towards the authority of the father. Candido’s interpretation of Brazil is supported by evidence from some empirical findings. Schwartz (1992) observed that Brazilians scored low in intellectual and emotional autonomy (which is related to Hofstede’s dimension of individualism) and high on conservatism and hierarchy (correlating with Singelis et al.’s notion of verticalism). Similarly, Friedlmeier (1995), comparing implicit theories of educators, found that Brazilians stressed conformity and adaptation. In their research, Ströhschneider and Güss (1998) found that Brazilian college students have a high tendency to accept any situation as given, and not to inquire about its causes, when an ill-defined ambiguous situation is presented to them.

Related to these results, Droogers (1988) suggested that an important concept to understand the Brazilian worldview is the one of the jeitinho. Jeitinho is a Brazilian term that is difficult to translate, but that carries the meaning that when a problem is presented, even without a real possibility of being solved, the social group will come up with a way to solve it. When we observe the country as a whole, research has demonstrated that the Brazilian culture is significantly more collectivist and vertical than the culture in other countries, especially those from an Anglo-Saxon origin (Pérez-Nebra & Torres, 2002). For instance, Pearson and Stephan (1998) found that the negotiation style in Brazil is more collectivist than the one in Australia, and also that in that former country, social hierarchy is highly valued. Other evidence (e.g., Eitorre, 1998; Santos, 1991; Torres, 1999), also suggest that the Brazilian culture is highly collectivist.

When demonstrating the relationship between human values and red meat attitude, Allen and Ng (2003) measured hierarchy and inequality, but not individualism and collectivism. Individualism-collectivism refers to a cultural dimension, or an aggregation of cultural and human values, which was first identified by Hofstede (1980; 1983; 1984; 1991). It reflects the extent to which people emphasize personal or group goals. Hofstede’s research showed that people have different intentions, give different attributions, and behave differently in their cultural group. A good deal of evidence has been found supporting the variations associated with Hofstede’s dimensions (e.g., Smith et al., 1994). This suggests that consumer behaviours and perceptions will also vary as a result of this difference in cultural values. Some scholars (e.g., Triandis, 1994) suggest that the individualism-collectivism value is essential for the analysis of a culture, since several studies (e.g., Ashmos & McDaniel, 1996; Campbell, Bommer, & Yeo, 1993; Smith & Bond, 1999; Triandis, McCusker, & Hui, 1990) have demonstrated the influence of this dimension in the behaviour of members of a social group, including consumption-related behaviours (Kahle, 1996). Also, and more importantly for the present research, a limitation of Allen and Ng’s (2003) and Allen et al.’s (2000) studies is that only predominantly individualist cultures, that is, Australia and New Zealand respectively, were tested. Despite their geographical location, collectivist Latin American cultures have not been treated in the literature as “Western” cultures, a term that has been traditionally associated with Anglo-Saxon tradition, and some European countries (e.g. Sweden). Although it is believed (Hofstede, 1980) that Brazil is more collectivist than Australia or New Zealand, there is little evidence that the individualism-collectivism of a culture is related to meat symbolism, so we do not make any predictions involving this dimension.

To sum, Allen’s two-route model suggests that a human value has a direct influence on product choice when the individual examines the symbolic meaning of the product, and has an indirect influence (via attribute importances) when a consumer assesses the product’s utilitarian meaning. Further, if red meat symbolises hierarchy in cultures that have hierarchical social relations, such as Brazil, and if Brazilian consumers evaluate the symbolic meaning of a food when forming attitudes toward the food, then:

Proposition: Vertical values should influence red meat consumption via the direct route.

Allen’s model recognizes that culture has an impact in consumer choice and behaviour (Allen, Ng, & Wilson, 2002), however this does not mean that it can already been generalized to different cultural groups (Triandis, 1995). As noted elsewhere (Smith & Bond, 1999), some social behaviours may not have the same representation in other cultures. Thus, there is a need to test the model for contexts where the self is interdependent and the social organization follows a hierarchy, up to a certain point, quite rigid.

METHOD

Participants

University students and the population in general were included. College students were recruited in class in a large university of Brazil. Copies of the questionnaires were given to students in class, and they were encouraged to return the completed survey in one week. When the completed surveys were returned to researchers, three more copies were given to the students who, then, were asked to pass them on to general population participants, such as their parents and friends. General population respondents also had one week to respond to the survey, hand them in to students, who would then pass them on to researchers. With this procedure, from the 650 surveys sent out, 378 were satisfactory returned, yielding an effective response rate of 58%. The sample comprised of 49% male and 51% female, age range of 17 to 54 (median=23), and median education level of High School.
Instruments
A 6-page, self-administered questionnaire was given to participants. The questionnaire contains, in the following order, a Portuguese version of the Singelis et al. ’s (1995) Values Scale (44 items), Allen and Ng’s (1999) Meaning and Judgment Scale (19 items), and a Food Attribute Importance Questionnaire (25 items), the Consumption Behaviour measure, and a small questionnaire on demographic data. Participants took 20 to 25 minutes to answer to entire survey. With all instruments, the translation-retranslation technique (Brislin, 1980; Brislin, Lonner, & Thorn dike, 1973) was used to make sure the survey had language equivalence in Portuguese.

Values Measure. With the objective of measuring Brazilian cultural patterns, Singelis et al. ’s (1995) Values Scale was employed. The original English version of the scale has 32 items, and was designed to measure the individualist-collectivist vertical and horizontal values at the individual-level. A version of the scale validated in Brazil has 44 items that individuals rate on a 1–9 ‘Strongly Disagree’ to ‘Strongly Agree’ scale. To validate this version, focus groups with Brazilian college students were used to add items with content and language structure relevant to the Brazilian culture. The version was then translated and back translated, and was first presented elsewhere (Torres & Pérez-Nebra, 2002). To test our hypotheses, scores for 4 subscales were first obtained: Verticalism (reliability coefficient=0.82), Horizontalism (Cronbach’s alpha=0.79), Collectivism (alpha=0.81), and Individualism (alpha=0.72). Then, we calculated an Individualism vs. Collectivism score for each participant (which was Individualism minus Collectivism), and a Verticalism vs. Horizontalism (Verticalism minus Horizontalism).

Meaning and Judgment Measure. Allen’s (2001) Meaning and Judgment scale comprises 19 items and measures the preference for judgment type (piecemeal or affective) and importance of product meaning (utilitarian or symbolic). Participants responded each item on a 1–7 ‘Strongly Disagree’ to ‘Strongly Agree’ scale. To test the scale, the associations between preference for judgment and product meaning, a factor analysis with varimax rotation was executed with the Brazilian (KMO=0.87; Bartlett’s Chi-square=1715.29; p<0.0001). From this, two factors or subscales were obtained and the sample’s scores calculated. The first factor included 9 items (alpha=0.75), which measure Piecemeal Judgment and Utilitarian Meaning Tendency. The other factor, with 10 items (alpha=0.69) measures Affective Judgment and Symbolic Meaning Tendency. Only the latter subscale was used for the present study (sample items: “The image a product portrays is an important part of my decision whether or not to buy it” and “The instant I see a product I know if I like it”).

Food Attribute Importance Measure. Using a 1–10 ‘Not at all important’ to ‘Very important’ scale, respondents rated the importance of 25 food attributes. The 25 attributes were then reduced with a factor analysis, varimax rotation (KMO=0.76; Bartlett’s Chi-square=3241.25; p<0.0001), which yielded 6 factors, corroborating partially with the food attributes found by Allen and Ng (2003). The first factor refers to Quality attributes of foods (e.g., light food, tasty, prepared with high-quality ingredients), with an alpha of 0.76. The other factors include Nutrition (e.g., natural food, nutritious, rich in minerals and vitamins), alpha=0.72; Exotic Food (e.g., unusual food, exotic, food from another country), alpha=0.71; Pleasant To The Senses, with an alpha of 0.66 (e.g., tasty, sweet, salty); Popular Food, alpha=0.64 (e.g., inexpensive, popular); and Easy to Prepare (e.g., easy to obtain, easy to prepare), alpha=0.66.

Consumption Behaviour Measure. In the survey, “Considering the past 3 days, how many servings did you eat of each of the following food types? Red meat (e.g., beef); White meat (e.g., chicken, pork, etc.); Fruit; Cereals; Dairy products (e.g., milk, cheese, etc.); Vegetables; Seafood/Fish?” was asked. Only participant’s red meat consumption was analysed in the present study.

RESULTS
The main proposition was that vertical values should influence red meat consumption via the direct route. To test the proposition, we used the analytical process outlined in Allen (2001). This procedure is advantageous over other methods because it reveals the overall strengths of the direct and indirect routes, as well as the specific relationships. This method involves several steps.

First, correlations were calculated between human values and food attribute importance, revealing that Verticalism (+) vs. Horizontalism (-) significantly correlates with Quality (r=.11, df=389, p<0.05), Simple and Popular (r=.20, df=389, p<.001), and Easy Preparation (r=-.25, df=389, p<.001), whereas Individualism (+) vs. Collectivism (-) correlates with Nutritious (r=-.14, df=389, p<.01), Pleasant to Senses (r=-.17, df=389, p<.001), and Easy Preparation (r=.33, df=389, p<.001). Second, human values were regressed onto red meat consumption, resulting in a significant prediction (Multiple R=.24, F(2,357)=10.4, p<.001). In particular, Verticalism (+) vs. Horizontalism (-) was positively associated with red meat consumption (beta=.20, t=3.7, p<.001), as was Individualism (+) vs. Collectivism (-)(beta=.19, t=3.5, p<.001). Finally, a two-block regression was carried out in which the food attribute importance were regressed onto red meat consumption in Block 1, and human values in Block 2. Block 1 achieved a significant prediction of red meat consumption (Multiple R=.38, F(6,358)=10.0, p<.001), produced by three significant predictors: Nutritious (beta=-.11, t=-1.9, p<.05), Simple and Popular (beta=.14, t=.25, p<.01), and Easy to Prepare (beta=.32, t=6.5, p<.001). Block 2 significantly added to the prediction of red meat consumption beyond that accounted by food attribute importance (Multiple R change=.03, F(2,356)=5.0, p<.01). Verticalism (+) vs. Horizontalism (-) was positively and directly associated with red meat consumption (beta=.17, t=3.1, p<.001). Both Blocks combined strongly predicted red meat consumption (Multiple R=.42, F(8,356)=9.0, p<.001).

Figure 1 summarises the relationships uncovered in the above three steps (signs indicate the direction of the relationship). Individualism (+) vs. Collectivism (-) has an indirect influence on red meat consumption in two ways. First, individuals who value individualism over collectivism do not want a food that is nutritious, and people who do not want a nutritious food consume more red meat. Second, people who value individualism (over collectivism) want a food that is easy to prepare, and this leads to greater consumption of red meat. Verticalism (+) vs. Horizontalism (-) values have a direct influence on red meat consumption, indicating that the more an individual supports verticalism (over horizontalism) the more they consume red meat.

Finally, Symbolic Meaning and Affective Judgement Tendency positively correlates with red meat consumption (r=.15, df=350, p<.01). Also, it should be noted that all the regressions described in this section were recalculated to control for demographic data (gender, age, and education). In those regressions, demographic characteristics were entered in a first block, then food attribute importances (Block 2), followed by values (Block 3). The results of these regressions paralleled the original regressions, demonstrating that demographics do not account for the findings.

DISCUSSION
Consistent with the main proposition, the study found that verticalism (over horizontalism) influenced red meat consumption.
via the direct route. Given that the direct route occurs when consumers are evaluating the symbolic meaning of a product (e.g., Allen and Ng, 1999), this finding implies that 1) red meat symbolises social hierarchy in Brazil, and 2) Brazilian consumers are evaluating that meaning when forming attitudes toward red meat and related behaviour outcomes. Consistent with the latter, the study found that red meat consumption and the Symbolic Meaning and Affective Judgement Tendency scale were positively correlated, signifying that individuals who have a predisposition to examine the image of a product consume more red meat. These findings confirm those of Allen and Ng (2003), and partially the results found by Allen et al. (2000), and Allen and Baines (2002). Red meat consumption is positively associated verticalism, which in turn relates to support for inequality and power values (Singelis et al., 1995), as predicted by Allen and Ng. Yet, and more importantly, this also holds true for Brazilians.

When considering human values, the present research investigates one aspect of the subjective culture. For Triandis (1996), the analysis of the subjective culture leads to the understanding of how people perceive, categorize, develop their beliefs, and give value to their environment, which was demonstrated by our results. But also important is that the present research provided evidence for the etic validity of Allen’s two-route model in collectivist cultures. In other words, the two routes by which human values influence product preference appear to be of universal equivalence. Furthermore, the more individuals endorse vertical values, the higher the preference for red meat consumption, independent of their culture. And what is arguably more important, this relationship follows a direct route. Moreover, what has been demonstrated by this finding is that the relationship between vertical values and red meat consumption is present in the vertical, collectivist Brazilian culture. Triandis and Gelfand (1998) suggested that the discrepancy between incomes within a country could be used as a measure of verticality. This measure would be “the ratio of the incomes of the top 20% to the bottom 20% of the population of the country” (p. 126). Triandis and Gelfand observed that in 1993 this ratio in Brazil was about 35, and there are reasons to believe that the ratio has increased since then (Santos, 1991; Ettorre, 1998; Torres, 1999). Although we can often find larger differences among the sub-cultures within a country than between cultures across countries, if the argument about the etic validity of the Model is correct, then we can assume that choice between the routes for product preference and the symbolism attached to the product is universal. Again, more samples for different countries must be included in order to provide a strong basis for this argument.

It is important to note that meat was chosen because many people tend to consume more meat when compared to other foods (e.g., National Diet and Nutrition Survey, 1998), meat appears to be the central food in Western culture (e.g., Douglas, 1973), and there appears to be a consensus among sociologists and anthropologists about the human values that red meat symbolize (i.e., hierarchy and inequality, or simply stated, verticality)(e.g., Adams, 1990; Douglas, 1973; Fiddes, 1991; Heasley, 1990; Sanday, 1981; Twigg, 1983). As a result, our findings suggested that Brazilian consumers use their vertical values to evaluate the hierarchy and inequality values symbolized by red meat. Establishing the extent to which human values have an impact in the consumption of food items would have important implications for models of food choice.
Psychological theories suggest that food evaluation stems from previous positive or negative experiences with a food (e.g., Garcia, McGowan, & Green, 1972). Less understood is how the culturally constructed meanings of food and aspects of the individual’s self-construct, such as their human values, influence the food evaluation and choice of food. Research about this topic may give important contributions to theories of food choices, and consequently, to health promotion programs.

It could be argued that the image of red meat itself was not measured in the present research. However, as described in the two-route model (Allen, 2002), values that influence product choice via the direct route reveal the image of the product. When the individual is using the indirect route, he or she is performing a mathematical, calculative evaluation of the product’s utility. But, when the direct route is being used, the individual is focusing the attention directly on the image of the product. The value itself represents the product image. Therefore, the lack of measurement about the red meat image does not appear to be a limitation of the study. Yet, for the individual, red meat may symbolize a lot of things other than verticality. Red meat may symbolize, as suggested elsewhere, masculinity (Adams, 1990), what not measured here, representing one limitation of the study.

Future research should also include other cultures, especially those low in hierarchy. In other words, future research should also be conducted at the country level of analysis “in which the unit of analysis is the nation” (Smith, Dugan, Peterson, & Leung, 1998: p. 358). Thus, the findings of those studies will be applicable to cultures, and not to individuals; within-culture (i.e., individual-level) sources of variance will not be discussed at the country level of analysis. This suggestion appears to be important because, as noted by Klein, Dansereau and Hall (1994), few theorists and researchers address country-level issues in their studies. Klein et al. (1994) discuss that a result found in a study that is focused on one level may not be generalizable to another level. This is a limitation that appears to be important because, as noted by Klein, Dansereau and Hall (1994), few theorists and researchers address country-level issues in their studies.

The inclusion of other cultures in future research will provide a true test of the ‘etic’ validity (Triandis, 1996) of the model, across a number of cultures.

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“Smoking Can’t Hurt Me!!” and Other Death-Related Thoughts: A Test of Terror Management Theory
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EXTENDED ABSTRACT
Consumer behavior researchers and public policy makers continue to be plagued with the problem of creating communication that can increase the probability of complying with important risk information both in the short run and in the long run. In this research, we investigate the impact of thematic approaches and self-esteem on whether college-age smokers will comply with anti-smoking messages in the short run and in the long run. Terror management theory (TMT) predicts that when an individual’s fear or anxiety associated with death is triggered by making their mortality salient, the process of reducing that anxiety results in either one’s self-esteem or cultural worldview rising to protect them from this extreme terror (Maheshwaran & Agrawal 2004; Arndt et al. 2004; Jonas, et al. 2003). Generally, people are motivated to maintain high levels of self-esteem and defend their cultural worldview when it comes under threat in an effort to sustain one’s psychological well-being. In this research, we test the concept of making mortality salient for college-age smokers through the thematic approach of health risk anti-smoking messages. This is based on research conducted by Pechmann, et al. (2003) on the differential impact of various thematic approaches to communicating risk. In their research, they demonstrated that several types of thematic approaches including health risk messages actually increased high school students’ intent to smoke. In contrast, they found that certain types of thematic approaches including social risk messages were more effective at decreasing one’s intent to smoke. Three hypotheses were tested to determine if different thematic approaches as well as the interaction between thematic approaches and self-esteem have an impact on behavioral change in smoking both in the short run and in the long run.

To test the hypotheses, 137 college-age smokers participated in this study. The methodology followed the process used in TMT research (Pyszczynski, et al. 2004). Participants completed the smoking self-esteem scale followed by the Rosenberg global self-esteem scale. Then they viewed either two health risk anti-smoking messages or two social risk anti-smoking messages. The PANAS-X scale was administered to determine if negative affect was confounding the results. This was followed by a distracter task unrelated to the research question and then the dependent measures of short run and long run behavioral intention to quit smoking. The entire experiment was conducted in an online environment. Both the Rosenberg global self esteem and the PANAS-X had no impact on the results so these two scales were dropped from the analysis.

A set of two by two between subjects ANOVA were conducted to test the hypotheses along with a set of contrasts. The results found a significant main effect for health risk messages (making mortality salient for participants) and a significant interaction effect for health risk and self-esteem for short run behavioral intentions to stop smoking. These results provided support for the first two hypotheses. The third hypotheses looked at the impact of different thematic approaches (making mortality salient) on smokers’ long run intent to stop smoking. The main effect for health risk messages (making mortality salient for participants) had a significant impact on long run smoking intent.

Overall, we found that advocating social norms is more effective both in the short run and long run on compliance as compared to advocating health risk messages for both short run and long run smoking behaviors. We also find that in the short run, focusing on the interaction between self-worth and different thematic approaches has an impact on whether smokers will consider reducing their smoking behavior. The implications of these findings are that attention should be paid to the manner in which anti-smoking messages are positioned to increase the probability of compliance with these types of messages. In both the short run and the long run, we also see that by using a health risk message public policy and consumer behavior researchers are actually increasing the probability of noncompliance among college-age smokers. This research provides an extension of TMT research into the arena of using actual death-related visual images such as anti-smoking messages. In this study, actual PSAs were used to test the impact of mortality salient messages compared to esteem-enhancing messages as a means to communicate risks concerning smoking. We also extend the findings in this field to look at not only short run but also long run behavioral change intentions guided by the conflict that arises between smokers’ self-esteem and their cultural worldview related to the smoking taboos that we face in our society.

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The Impact of Country of Manufacture and Brand on Consumers’ Attributions of Blame in a Product-Harm Crisis

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EXTENDED ABSTRACT

Previous research on product-harm crises has examined how the characteristics of the observers of the crisis, such as gender or nationality, can influence blame attributions (see Laufer et al., 2005; Laufer and Gillespie, 2004; Laufer, 2002). This study enhances our understanding of the impact of product-harm crises on consumers by examining how situational factors impact consumer blame attributions. Three experiments were conducted involving three different product-harm crises to examine how two extrinsic cues, brand and country of manufacture, impact the assessment of blame by observers to a product-harm crisis where ambiguity is present.

This paper contributes to the existing literature on extrinsic cues in three ways. First, extrinsic cues rarely have been examined in the context of blame assessments. To the best of our knowledge, country of manufacture has never been examined in this context. The country-of-origin literature has focused almost exclusively on the impact of the country-of-manufacture cue on pre-purchase decision-making, particularly in the context of quality assessments and purchase intentions. Second, our study examines the issue of which of the two extrinsic cues, country of manufacture or brand, plays a greater role in influencing consumers’ assessment of blame. Previous studies in the context of pre-purchase decision-making have found conflicting results regarding which of these two extrinsic cues plays a greater role in influencing consumers (Gaedeke, 1973; Cordell, 1992 and Jo, Nakamoto, and Nelson, 2003). Our study examines this question in a new context and adds to this debate. Finally, this study investigates the mechanisms underlying blame attributions by examining whether extrinsic cues cause biased information processing of evidence relating to culpability in the context of a product-harm crisis. To our knowledge, previous research has not examined biased information processing in relation to blame attributions associated with product-harm crises.

The findings of all three experiments demonstrate that extrinsic cues impact consumers’ assessment of blame for a product-harm crisis. In experiment 1, an unknown brand caused the participants to place more blame on the company for a product-harm crisis. In experiment 2, a negative country of manufacture caused the participants to place more blame on the company for a product-harm crisis. Finally in experiment 3, when multiple extrinsic cues were available (brand and country of manufacture) both a well-known brand and a positive country of manufacture reduced blame to the company. In this experiment we found that a well-known brand eliminated a negative country-of-manufacture effect such that there was no significant difference in blame to the company between the positive and negative country-of-manufacture conditions. We also found that a positive country of manufacture reduced the negative implications of being an unknown brand such that there was significantly less blame to the unknown company for the positive country-of-manufacture condition when compared with the negative country-of-manufacture condition. In an analysis of effect sizes we found that brand had the greater impact on shielding the company from blame when compared with country of manufacture. The brand effect explained 11.1% of the variation in the dependent variable, blame to the company, whereas the country of manufacture explained only 4.2%.

Recent research on multiple category membership can help us understand why brand information may have a greater impact than country-of-manufacture information in a product-harm crisis. Bodenhausen & Macrae (1998) found that category salience, chronic accessibility, and goal relevance are factors that influence which stereotype will command the most influence. Brand information is more likely to be chronically accessible to consumers than country of manufacture because of the dominance of brand information in both advertisements and product packaging. Advertisers focus on the brand name much more than country of manufacture in their advertising campaigns, and brand information is displayed more prominently on a product’s packaging than country-of-manufacture information. As a result, brand information should be much more accessible to consumers than country of manufacture during a product-harm crisis.

Our study also demonstrated that extrinsic cues impact not only overall assessments of blame directly, but also indirectly through the assessment of evidence associated with company culpability. An unknown brand caused observers to assess evidence associated with company blame as more important, when compared with a well-known brand. We did not find a similar effect for country of manufacture, which perhaps can be explained by the strong brand effect in the experiment. Future research should examine whether country of manufacture can impact the assessment of evidence associated with company culpability in other contexts.

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