“Meeting Social, Ethical, and Regulatory Challenges in the 21st Century”
Marketing and Public Policy Conference Proceedings 2007

“Meeting Social, Ethical, and Regulatory Challenges in the 21st Century”

May 31–June 2, 2007
Hilton Washington
Washington, D.C.

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Volume 17
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The 2007 Marketing and Public Policy Conference (MPPC), “Meeting Social, Ethical and Regulatory Challenges in the 21st Century,” was held May 31–June 2 in Washington, D.C. Continuing to build on the fine tradition established by previous conferences, the 2007 conference brought together scholars, representatives from government agencies, legal practitioners, industry representatives, and business and consumer advocates. Sessions focused on cutting-edge questions and research in areas of significant and continuing policy interest, such as obesity, privacy, and nutrition disclosures, as well as on innovative thinking about emerging topics, including subsistence marketplaces, societal sustainability, social entrepreneurship, and disaster policies. More than ever before, the conference program included a strong cadre of international researchers and scholars.

The conference was preceded by a one-and-a-half-day workshop on research in social marketing. The workshop aimed to facilitate increased scholarly research on the use of marketing to promote socially beneficial behavior change. Doctoral students and faculty discussed strategies for conducting research in social marketing with established researchers from academia, nonprofits, and government agencies in an informal, small-group environment. Topics explored at the workshop included assessing the relevance of social marketing research to marketing and public policy, overcoming barriers to conducting and publishing social marketing research, examining social marketing issues using established theories and frameworks, and identifying sources of funding.

Another distinguishing feature of the 2007 MPPC was a collaborative agenda for the Saturday afternoon sessions with the Macromarketing Society and International Society of Marketing and Development joint conference. Registered attendees of the Macromarketing/ISMD conference were invited to the Saturday luncheon and afternoon sessions of the MPPC. The Saturday afternoon sessions were selected to appeal to participants from MPPC and the MM/ISMD conferences. In particular, the afternoon featured a two-hour “bridge” session, chaired by Journal of Public Policy & Marketing Editor Ron Hill and Journal of Macromarketing Editor Cliff Shultz, highlighting articles in special journal issues of relevance to MPPC and MM/ISMD. In addition, MPPC participants were invited to the opening reception for the MM/ISMD conference Saturday evening, compliments of the Macromarketing Society and ISMD. We hope this initiative fosters further collaboration between our groups.

Several organizations generously contributed their time and financial resources to help make the conference a success. Members of the planning committee provided invaluable guidance and served as reviewers for all special topic session submissions. Special thanks to our thoughtful reviewers for completing their assignments in a timely manner. We would like to thank the Marketing & Society Special Interest Group (SIG) for its support and help in publicizing the conference. In addition, we thank the sponsors of the Social Marketing Workshop: The Kogod School of Business at American University, AMA, and three AMA SIGs (Marketing & Society SIG, Marketing Communication SIG, and Consumer Behavior SIG). We also acknowledge the financial support provided by the Kogod School of Business, the Marketing Science Institute, and the Center for Marketing and Public Policy Research at Villanova University to help fund the opening reception, the poster session on Friday, and the Saturday luncheon. The Kogod School of Business also provided support and resources for conference preparation and organization.

Many people deserve special mention. Special thanks to MM/ISMD cochairs Stacey Baker, Dan Westbrook, and Johny Johansson. We are grateful to Alan Andreasen and Lauren Block for helping develop the preconference social marketing workshop program and to all of the workshop presenters. The 2006 MPPC event cochairs, Ingrid Martin, David Stewart, and Michael Kamins, served as a valuable resource and advisors. We particularly want to thank Ingrid, who made our job easier by sharing documents from past conferences and by responding to our many queries in a cheerful and timely manner. In addition, we recognize the contributions of Pam Scholder Ellen for her encouragement and guidance as well as Clara Nelson and Chris Leporini of AMA for managing conference arrangements and the proceedings publication. We also want to recognize the encouragement and support from our American University colleagues Anu Mitra, Gary Ford, and, especially, Michael Mazis. Staff members Jennifer Cochran and Erin Sudow developed and managed the conference Web site. Our graduate assistant Jessica Berkey helped with all the administrative details that go with managing such a large operation. We especially thank Richard Durrand, Dean of the Kogod School of Business, for his encouragement and enthusiastic support for our efforts.

Finally, and most important, we thank everyone who submitted their ideas, research, and proposals for peer review and consideration. We were fortunate to have received such an impressive set of submissions.

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IS MORE ALWAYS BETTER? INFORMATION SEARCH FOR FINANCIAL PRODUCTS

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SUMMARY

Consumer and financial educators have spent years teaching consumers to shop and compare. Undergirding these efforts is a body of literature and research on the economics of information search, which postulates that consumers will “shop and compare” as long as the expected marginal pay-offs to search exceed or equal the expected marginal costs of the search. With wide choice sets for credit, savings, and investment products, there is a greater need for consumer information than ever before. When consumers compare products with different bundles of characteristics, however, they may quickly fall victim to information-overload. For consumer educators and policy makers, the natural question that arises is, “Is more always better?” Overlaying the issue of how much information to gather is the issue of efficiency in information search. Because of experience, expertise, or access to expert sources, some shoppers may be able to search more efficiently and make better decisions.

Methodology

Using data from the Federal Reserve Board’s 2001 Survey of Consumer Finances (SCF), the purpose of this paper is to explore measures of information search efficiency and their socioeconomic, demographic, and attitudinal correlates. Measuring a household’s information search efficiency for financial products are fairly complex. The SCF provides several measures of shopping behaviors for credit products and for savings/investment products: (1) the household’s subjective level of shopping, measured on a 5-point scale, (2) the type of information sources used when shopping (a proxy for the quality of information), and (3) the number of information sources used when shopping (a proxy for the quantity of their search). For the purposes of our study, all three elements are combined into a measure of shopping sophistication.

Households with high sophistication for both credit and savings/investment shopping are referred to as “super shoppers” (Figure 1); those with low rankings for both are referred to as “non-shoppers”; households ranking high on sophistication for credit but low for savings/investment are “credit shoppers”; and households ranking high for savings/investment but low on credit are “saving shoppers.” All other households, are considered to be “moderate shoppers,” and fall somewhere other than the above regions.

Model

Our study focuses on the correlates of information search sophistication, specifically, the five categories of shop-
pers: super shoppers, savings shoppers, credit shoppers, moderate shoppers and non-shoppers. Setting aside the savings and credit shoppers (about 11% of respondents), we have a progression of sophistication among the non-shoppers, moderate shoppers, and super shoppers. For this type of multivariate analysis, we used an ordinal (or ordered) logit model and calculated the probabilities of being in each category associated with each independent variable (Greene 2000). To simplify the discussion of results, we focus on the predicted probabilities of being in each of the shopper categories for the significant independent variables (by definition, the probabilities across all categories sum to 100).

Results

The probability of being a “super shopper” increased with the amount of financial assets and education, as might be expected. Married-couple households were more likely to be “super shoppers” than single households (27% vs. 16%, respectively). Middle-aged respondents (ages 35 to 64) had the highest probabilities of being “super shoppers” (in the 26% to 28% range). Compared with those working in the labor force, people who were unemployed and not looking for work had a higher probability of being a “non-shopper” (18% vs. 41%, respectively). Homeowners had an 18 percent probability of being a “non-shopper,” while they had almost a 27 percent probability of being a “super shopper.”

Households that reported having a reason to save were more likely to be “super shoppers” (24% compared with 6.5% for those with no reason to save). Also, households expecting a major expense in the next 5 to 10 years were more likely to be “super shoppers” (27% vs. 19% for those not expecting a major expense). The probability of being a “super shopper” increased as willingness to handle risk increases, going from 12 percent for those with low risk tolerance to 31 percent for those with a substantial tolerance for risk.

Conclusions

In the ideal world, fully informed consumers make decisions that are optimal for their households and enable markets to function efficiently. However, in the real world, some consumers operate with much less sophistication. Finding ways to motivate consumers to seek out information and for firms to provide information at the right time, right place, and in the right format remains a challenge for consumer educators and policy makers. References available upon request.

ENDNOTE

The analysis and conclusions set forth in this paper represent the work of the authors and do not indicate concurrence of the Federal Reserve Board, the Federal Reserve Banks, or their staff. Mention or display of a trademark, proprietary product, or firm in the presentation by the authors does not constitute an endorsement or criticism by the Federal Reserve System and does not imply approval to the exclusion of other suitable products or firms.

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DETECTING THE UNDERCURRENTS AND DYNAMICS: PUBLIC POLICY IMPLICATIONS OF UNDERSTANDING MICRO-LEVEL AND LONGITUDINAL CONSUMER CONFIDENCE

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SUMMARY

Businesses, private investors, and public policy makers have long noticed that anticipating future consumer spending and saving behavior is key in today’s marketplace (Georgoff and Murdick 1986; Kotler 1994; Lawson, Todd, and Boshoff 2001; Lilien and Kotler 1983). For example, anticipating consumers’ future expenditures can help managers assess the general mood of the market and plan their marketing activities accordingly. Furthermore, private investors can benefit from such information to assess the right moment to make great investments. More importantly, such information can give public policy makers early warnings about whether the economy is moving toward recovery and growth or recession.

While early predictions of consumer consumption behavior solely focused on objective, economic variables – such as income, interest rate, and inflation rate – Katona (1951, 1960) suggested that consumer expenditures do not only depend on consumers’ ability to buy but also on their willingness to buy, and thus on more subjective, psychological factors. This notion has become known as the theory of psychological or behavioral economics (Curtin 1982; Katona 1974). It has stimulated the development of many indexes, which have in common the goal to measure consumer confidence, or sentiment, as an indication of the future course of the national economy (Curtin 1982; Linden 1982; Roper 1982).

Prior research has focused on comparing the predictive value of different consumer confidence indexes (Batchelor and Dua 1998; Epriught, Arguea, and Huth 1998; Huth, Epriught, and Taube 1994) and on explaining variance in such measurements (Garner 1981; Vuchelen 2004). A similar research stream has developed in marketing (Barksdale and Darden 1972; Barksdale, Darden, and Perreault 1976; Barksdale and Perreault 1980; Gaski and Etzel 1986) and assessed consumer confidence toward marketing in the international marketplace (Chan, Yau, and Chan 1990; Wee and Chan 1989).

For our analyses, we calculated consumers’ confidence from 1997 until 2001, based on the data available from the DDB Needham Life Style Study. By doing so, we obtained several interesting and important results in respect to our cross-sectional, micro-level as well as longitudinal

The purpose of our paper, therefore, is to develop an index that facilitates our understanding of the consumer confidence construct and that helps capture its undercurrents and dynamics. Specifically, we aim at (1) developing a lifestyle consumer confidence index (LSCCI), (2) applying this new index to demonstrate the importance for public policy makers to conduct cross-sectional, micro-level analyses to understand the current composition of consumer confidence, and (3) revealing the significance for public policy makers to conduct longitudinal analyses to detect the dynamics of consumer confidence over time.

To develop our index that projects consumers’ perceived confidence, a secondary data analysis was undertaken. Specifically, against the background of our literature review, we used the 2001 DDB Life Style Study to uncover the items most relevant for measuring consumer confidence. The DDB Needham Life Style Study is an annual survey conducted by DDB Worldwide, an international marketing communications agency. The survey consists of 830 different items. For our LSCCI, seven of these items were meticulously selected. Moreover, factor analysis revealed that the total LSCCI can be divided into two sub-indexes: one sub-index that measures consumers’ present confidence (our Present Lifestyle Consumer Confidence Index; PLSCCI) and another sub-index that measures consumers’ future confidence (our Future Lifestyle Consumer Confidence Index; FLSCCI).

For our analyses, we calculated consumers’ confidence from 1997 until 2001, based on the data available from the DDB Needham Life Style Study. By doing so, we obtained several interesting and important results in respect to our cross-sectional, micro-level as well as longitudinal
analyses. First, our exemplary analyses revealed that consumer confidence significantly varies across different group segments. This finding implies that public policy makers should address the needs of and direct limited public resources to consumer groups that are low in consumer confidence. Such a targeted effort may ultimately help boost overall consumer confidence more effectively.

Second, our longitudinal analyses suggest that these across-segment differences over time may take on different directions. This finding cautions public policy makers to not only attend to undercurrents (across-segment differences), but to also track the dynamics of these undercurrents over time. Furthermore, it is important in such instances to identify reasons why a particular group displays a tendency of decreasing confidence. It is crucial that public policy makers address the concerns of such group members to alleviate the descending trend.

Third, our longitudinal analyses across segments revealed that there exist very turbulent segments whose levels of confidence significantly fluctuate from year to year. This finding is important because it suggests public policy makers to trace down unstable segments and find out what can be done to help such segments overcome their confidence fluctuations. Assisting such segments to become less volatile will help make future economic predictions more reliable and valid, thereby helping a nation boost growth and avoid recession.

Overall, our proposed LSCCI helps discover challenging segments that (1) are low in consumer confidence in a particular year, (2) show a continuously decreasing level of consumer confidence, and (3) are very unstable over time. By discovering such challenging segments, public policy makers will be able to form preventive policy and are, to a certain extent, able to direct the local economy into the desired direction. References available upon request.

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IS DISTANCE DEAD? AN EXAMINATION OF THE “DEATH OF DISTANCE” HYPOTHESIS AND “DIGITAL DIVIDE” IN HOUSEHOLD ADOPTION OF A NEW BROADBAND NETWORK

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SUMMARY

A historical overview of agglomeration and transportation economics suggests that firms and consumers are prepared to pay a distance premium for products and services. A question of growing interest is, Will customers really pay? With the advent of Internet, the concept of open access became a reality. Now any type of content can be accessed from or uploaded to the net by anyone. As Hoffman and Novak (1998) note, open access effectively leveled the playing field. Internet prompted serious reflection upon the perceived role of physical distance in communication technology. Cairncross (1997) argued that the rapid advances in information and communication technology, growing globalization and international migration have contributed to the death of distance. More recently, the work of Kshetri (2004) and Ganesan, Malter, and Rindfleisch (2005) lend additional credibility to the death of distance hypothesis. In contrast, evidence does suggest that distance still matters for geographical systems (Wang, Lai, and Sui 2003), innovation diffusion (Baptista 2001), international economics (Disdier and Head 2004) and transportation economics (Polese and Shearmur 2004; Rietvald and Vickerman 2004).

Most of the literature on the death of distance explores the role of distance from the perspective of firm-to-firm or firm-to-consumer cost behaviors. In contrast, we examine the influence of distance on the households perceived value of content and services provided by a new broadband network. We believe it is important to understand the household users’ need (i.e., motivation) for access to and use of ICTs. Accordingly, we answer the question Does distance still matter to a household in its evaluation of a new ICT? We thus examine the role of distance from two perspectives; Distance between the household’s community and a major city: This serves as a proxy for agglomeration economics, and distance of the household to (the center of) the closest community: This serves as a proxy for transportation economics. We control for other rural-urban differences using demographic variables such as age income, education, gender and location. In addition we examine three specific constructs; “Rural affinity,” “Availability of alternative access,” and “Availability of communication technologies” that relate to digital divide.

Method

We use a choice experiment (CE) to estimate the value of the content and services provided by new broadband network. The CE manipulated sixteen factors, namely the availability of thirteen types of broadband content and services, the prices of high-speed and dial up Internet access, and the scope of the benefits being assessed. The survey asked respondents to choose between four access options: high-speed access at higher prices; dial up access at lower prices; relying on other (public) access; or having no access to the new broadband network.

Results

The results from the multinomial logit choice model indicate a negative effect of the price on the probability of choice. This facilitates us to translate from choice model parameters to welfare values. There is a negative relationship between “distance between household communities to large urban city” and the probability of choosing high speed access. However, there is a positive relationship between “distance of household from community center” and the probability of choosing high speed access. These parameter estimates indicates that households that are away from community center are willing to pay the distance premium to have high speed access for different types of contents provided by the broadband network. In contrast households that are away from the city center are reluctant to pay this distance premium. The other effects support the findings of earlier literature regarding the demographic digital divide descriptors. There is a negative relationship between age and the probability of choosing high speed access. There is a positive relationship between, both Income and Education, and the probability of choosing high speed access. The rural households are
significantly more likely to choose high speed access than urban households. In addition, there is a strong positive relationship between, both “availability of alternative access” and “availability of communication technologies,” and the probability of choosing high speed access. However, there is insignificant relationship between “rural affinity” and the probability of choosing high speed access.

Conclusion

Our study reports on the role of distance from the perspective of the consumer. We find evidence for the death of distance hypothesis in the case of “distance” that serves as a proxy for agglomeration economics. However, we find that distance still matters when “distance” serves as a proxy for transportation economics. In addition, our result supports the role of other forms of access and familiarity with other technologies in the evaluation of an ICT innovation. The policy implications are threefold. First, the findings support the rationale put forth by government for accepting a role in establishing internet access for the underprivileged. Second, there is a need for continuous support from government whenever it is promoting the adoption of ICTs. Third and the focal point of our study, the death of distance hypothesis is true when distance is examined in the context of agglomeration economics, however distance will still matter when examined with respect to transportation economics. References available upon request.

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DOES ADVERTISING BAN TARGETING CHILDREN WORK?
EVIDENCE FROM QUEBEC ON FAST-FOOD AND
BREAKFAST CEREAL EXPENDITURES

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ABSTRACT
With growing concern about childhood obesity and associated health risks, several countries are considering banning food advertising directed to children. In 1980, the Canadian province of Quebec imposed a ban on all TV advertising to children under the age of 13. In this paper, we look at whether the advertising ban affected consumer food choice in Quebec. To the best of our knowledge this will be the first study to explore the effect of the Quebec ban on consumption.

Using data from the Canadian household expenditure survey and Canada Foodex surveys from 1984 to 1992, we ask whether expenditure at fast food restaurants and on junk food is lower in those groups affected by the ban than those without. Following Goldberg (1990) we control for mother tongue as native English speakers have access to more sources of media from outside the province. Unlike Goldberg, we use a difference-in-difference (DiD) and match estimation methodology across several dimensions, holding family characteristics such as income, education, and immigrant status constant. First, we test whether consumption of traditionally highly advertised fast food and breakfast cereal consumption among French-speaking families with kids in Quebec differs more markedly than consumption of English-speaking families in Quebec compared to their English and French-speaking counterparts in Ontario. Under the assumption that other non-English speaking families will also have less access to media from outside the province, we also compare consumption of those families whose first language is neither French nor English to Anglophones in the two provinces. Further, we anticipate that the ban primarily affects the expenditure of families with children, and estimate the effect of the ban by testing the difference between households with children and those without in Quebec versus Ontario.

Our second approach is to estimate the treatment effect by matching households with similar characteristics across Ontario and Quebec. We find consistent results for fast food across all types of difference-in-difference and matching estimation. Results for breakfast cereal are not as robust using DiD technique, the difference in expenditure being significant only in the difference between families whose mother tongue is neither French nor English compared to English-speakers in Quebec and Ontario. But using matching technique the result turns out to be significant but at magnitude of the difference is much smaller than fast-food. Although we cannot test the effect of the ban directly due to lack of pre- and post- ban expenditure data, we provide myriad of evidence by comparing expenditure cross sectionally and over time indicating that the ban had an effect on the expenditure on highly-advertised products like fast-food and breakfast cereals.

INTRODUCTION
Increasing concern about child obesity has led a number of countries to propose sweeping restrictions on food advertising directed to kids. Several studies have linked childhood obesity to television viewing, and TV advertisements have been targeted as a prime suspect. In response, the U.K. is considering an outright ban on food advertisements to kids, Australia recently rejected such a measure, and in 2004, United States Senator Tom Harkin introduced a bill to increase FCC restrictions on all advertising directed towards children. Groups on both sides of the debate have noted that bans already exist in some jurisdictions, such as the province of Quebec. Advertising lobby groups state that even with the ban, children in Quebec are no less obese than children in other parts of Canada (The Times, May 31, 2004), whereas proponents note studies showing that “kidfluence” can affect household consumption, and child advertising is effective in altering consumption choices.

Although the Quebec law is widely referenced by both opponents and proponents of advertising bans, very few academic papers study the effect of the ban in Quebec. Goldberg (1990) notes the fact that English-speaking (Anglophone) children in Quebec have more access than their French-speaking (Francophone) counterparts to media from outside of Quebec, and he uses this insight to find that the ban has affected awareness among children of brand names, but his study does not look at expenditures. One criticism of his approach may be that...
Francophone’s are culturally different than Anglophones, having distinct preferences which are translated to children’s brand awareness, and therefore we use a difference-in-difference approach, comparing Francophone’s and Anglophones in Quebec to their neighbors in Ontario. Further, we also consider families whose mother tongue is neither French or English (or Allophones) assuming that they too would have less access to outside media if the reside in Quebec, but not elsewhere in Canada. Last, we also specifically test the difference-in-difference for families with and without kids in Quebec and Ontario, given that the ban is expected to primarily affect families in Quebec with children.

The objective of this paper is to analyze the effect of the advertising ban on consumption expenditures in Quebec. We explore changes in demand for goods such as fast food, comparing changes in Quebec to changes in Ontario. To test the effect of the ban, we test the difference in expenditure across several groups and second, we match households of similar characteristics in Quebec and Ontario. To the best of our knowledge, this is the first formal econometric study to explore the impact of the Quebec law on household expenditure.

In 1980, the Quebec Consumer Protection Act banned advertising directed to children under the age of 13. Products and programs are rated according to their appeal to children, and products such as toys and children’s food products cannot be advertised during children’s programs. Adult advertising and public service announcements are allowed, but are highly regulated. The result is that child television advertising is banned on Saturday and Sunday morning, and during the weekdays after school. As with the current proposed bans, the Quebec law was not without controversy. In one of the most famous free speech cases in Canada, the law was challenged by Irwin Toys, resulting in the Supreme Court of Canada upholding the ban in 1989. Recently, in the August 15th, 2005 issue of Marketing Magazine, an article titled “Time to End It?” discusses the perceived drawbacks of the ban on Quebec TV programming. These concerns were echoed at Canadian Federal Standing Committee hearings in the Senate earlier in 2005, resulting in calls for the law to be revised or reversed.

Literature on the effect of advertisements on demand using behavioral marketing methodology and child psychology is already well developed (for a good review see Hastings et al. 2003). It generally finds strong evidence that product promotion to children has an effect, and that advertising tends to encourage the consumption of unhealthy food. Goldberg (1990) is the only study that has looked at the effect of the Quebec ban using a quasi-experimental setup. He finds that Anglophone children had stronger brand recognition than Francophones, and that those children who watched a greater amount of television emanating from the United States had a stronger awareness of toys and a larger number of children’s cereals in their homes. Goldberg concludes that the law was successful in reducing children’s exposure to cereals and therefore in reducing the pressure from children on their parents to buy them. However, he did not look at the effect of the ban on consumption patterns per se.

We use Statistics Canada’s detailed household expenditure data to explore the change in purchases due to the ban. This approach is a distinct departure from the existing advertising studies cited above that are mainly based on cross sectional surveys and experiments. Using data from the annual Canadian household expenditure survey and Canada Foodex surveys from 1984 to 1992, we ask whether consumption at fast food restaurants and convenience stores has increased or decreased after the ban. We control for expenditure on cable or satellite, and internet. Specifically, we use a difference-in-difference methodology to test whether the level of junk food expenditure is significantly different for Francophone and Anglophone families inside Quebec compared to Francophone and Anglophones in Ontario.

The paper proceeds as follows: in Section 2 we discuss the background of the legislation. Section 3 describes the database. In Section 4, we outline the model used for the difference-in-difference regression and its results. We present the demand model and its results in Section 5. In section 6, we provide our concluding remarks.

**BACKGROUND**

On April 30, 1980, the Quebec Consumer Protection Act came into force, banning advertising directed at children under the age of 13. Article 249 of the Act the explains what criteria must be used to determine whether an advertisement is directed at children. These include:

a. The nature and intended purpose of goods advertised. For example, are the products consumed primarily by children?

b. The advertisement itself – does it use fantasy, magic, or children-specific adventures?

c. The time and place the advertisement is shown.

During television programs where children comprise less than 15 percent of the audience, advertisements that are directed at both children and adults are permitted. During
programs where children are less than 5 percent of the viewers, advertisements directed mainly at children may be broadcast. Thus, the law does not formally ban all advertising to children. Stations may still broadcast advertisements during children’s programs as long as the ads are not directed exclusively to children. Similarly, ads exclusively to children can still be broadcast, but only during programs that are primarily watched by adults (Caron 1994). Data on viewing levels and audience composition are compiled by the Bureau of Broadcast Measurement and provided to advertisers.

The ban is tightly enforced. In 1984, for example, McDonald’s proposed a commercial where Ronald McDonald would explain to children the importance of wearing seat belts. This commercial was refused by l’Office de la Protection du Consommateur (the Consumer Protection Office) because it involved a known and well-liked children’s character (Government of Canada and Gouvernement du Quebec 1985). Thus, advertisements during children’s programs have to be clearly directed to adults for adult-specific products.

One of the weaknesses with the legislation is that it only applies to signals originating inside Quebec. Thus, it does not apply to signals from Ontario and the United States. Although Francophone children are not likely to watch the English programs, Caron (1984) notes that Anglophone children do spend a large time watching these broadcasts that originate largely in the United States. We use this fact to help identify the effect of the ban within Quebec.

DATABASE

To study the effect of the ban, we use household-level expenditure survey data from Statistics Canada. The Canada Foodex survey has detailed information on biweekly food purchase behavior of households. The survey has been conducted periodically since 1972 and is large (in 1996 it has household information and detailed food expenditure data for over 5,600 families). The information collected includes where the food is purchased, including convenience stores, fast food outlets, other restaurants, and grocery stores. We specifically focus on expenditure on heavily advertised food, defined as meals at fast food restaurants and breakfast cereals. Prices of each of these goods were constructed using observed unit values where possible, and taking median provincial unit values where a transaction was not observed. Due to the appearance of outliers in this constructed unit value calculation, medians are preferred to means. Prices for fast food meals were generated by using the expenditure on restaurant meals (breakfast, lunch, and dinner) divided by the number of meals purchased for those observations where fast food was the only type of restaurant visited by a household in a given week. To get a unit price for a fast food meal, we took a weighted average price over the three meals. As with the prices of the other goods, for the observations where no purchase or unique quantity data are observed, we use a provincial median price. In 1982 and 1990, only residents of 15 major Canadian cities were surveyed (approximately 10,000 households).

The Foodex data include a number of household characteristics, such as education level, type of home, whether the family owns or rents, income from various sources, and occupation (which we classified as white collar, blue collar or manufacturing and construction, pink collar or service, and other). We also make use of the information on mother tongue, and we create a dummy variable to capture whether both spouses were working. We also create a variable to control for families where both spouses are immigrants. For prices, we used the CPI by expenditure category by province normalized to 1982. The four years of data are stacked, creating a pooled data set. Summary statistics are calculated using the probability weights from the survey and are presented in Figure 1 by year and by group. As can be seen, our various control groups (Francophone and Allophone families in Ontario, Anglophone families in Quebec and Ontario, and families without children) are very similar to the treatment groups (Francophone and Allophone families in Quebec and Quebec families with children) over the various household characteristics. All groups have similar income levels, household composition, age of survey respondent, price, and total food expenditure. There is generally a lower level of education for the female heads of households in Quebec than in Ontario, but that held over the various groups.

To capture access to media from outside the province, we want to control for access to cable television. The biannual Canadian household expenditure survey provides detailed yearly purchases of items like toys, clothing, and expenditure on cable and satellite TV. The Canadian household expenditure survey (also called the Famex) is large, with a sample size that ranges between 10,000 (1996, 1992, 1986, and 1982) and 4,500 (1990 and 1984). Since the Foodex and Famex surveys are conducted on different samples, we cannot directly infer cable consumption by the households in the Foodex data.

DIFFERENCE-IN-DIFFERENCE MODEL AND RESULTS

Using difference-in-difference to estimate the average effect of treatment has a long history in the labor and development literature. (for example, see Ashenfelter
and Card 1985; Lalonde 1986; Card and Krueger 1996). The concept is quite simple; one measures the effect of a policy by comparing changes in behavior or outcome in the treated group before and after the policy, to that of a control group before and after the policy was implemented. As long as the control group is representative of the individuals or households in the treatment group, the control group captures any average effect of changing outcome over time, isolating the effect of the treatment. In its simplest form, one estimates the effect of the treatment coefficient on the interaction term for the treatment group after the policy. Concerns with the approach include the endogeneity of the treatment group (Imbens and Angrist 1994; Angrist, Imbens, and Rubin 1996; Heckman 1997, 2001; Abadie 2002). That might be of concern in our data if Quebec had imposed the ad ban either in response to province-specific child health concerns. However, in 1980, the ban was directed at all children’s products, not just junk food. The other concern is that our treatment group may have been able to impose the ban due to cultural differences which may also affect food expenditure. We control for this concern in two ways: by comparing Francophones inside to Quebec to those outside, and by comparing Francophone families in Quebec with children to those without under the assumption that cultural effects should persist across families before and after they have children.4

We estimate household expenditure on fast food, breakfast cereal, and soda. Expenditure is assumed to be a function of income, number of family members, price and proxy variables for preferences over quality. We also control for various household characteristics such as age, education, occupation, and whether the families are recent immigrants. One might anticipate that people are less likely to consume junk food as they get older, and the more educated they are. Since we are already controlling for income and education, occupation may act as a proxy for time constraints. Those families with more demanding jobs may eat out more.

The variables of particular interest in our study are dummies for the province, dummies for mother tongue, the number of children in the household under the age of 16, and the interaction terms (capturing families with children in Quebec and Ontario and who are Anglophone, Francophone, and Allophone). We can then test whether the difference in expenditure of Francophones and Anglophones families with children in Quebec is larger than the difference between these two groups in Ontario, which controlling for other demographic differences. We also test whether families with children behave more differently in Quebec than Ontario than their counterparts without children.

Other variables of interest are the probability that a family with children has cable, to capture the effect of exposure to advertising. We also interact this variable with the Quebec dummy, to check for a specific effect of access to cable for Quebec families with children.

One difficulty with developing a model of expenditure is unobservable quality differences in the data. To control for these differences, we control for the type of store at which the item is purchased. Specifically, to capture quality, we generate variables that capture the number of times each family went to each type of store in a week. We also use total family food expenditure to capture whether the family prefers high-quality or high-expenditure food.

Due to the prevalence of zeros in the weekly expenditure data, we use a Heckman two-stage approach (Gronau 1974; Lewis 1974; Heckman 1976). In the Heckman approach, we use maximum likelihood to estimate a probit on selection: whether families purchase fast food at all during the week, using a probit. The results of the probit are used to generate the inverse mills ratio, represented as the last term in the second stage equation to control for the selection bias when estimating of the amount of expenditure. To not rely on the functional form for identification, we use several exclusion variables that affect selection but do not affect the choice of expenditure after the decision to purchase has been made. Specifically, we use a dummy for whether both spouses are recent immigrants, under the assumption that recent immigrants are less likely to purchase fast food or junk foods purely due to different preferences. Second, we use income and income squared as income determines whether one eats fast food, but when one decides to purchase fast food, it does not change the amount one spends. Last, we use the education of the male head of household, since higher educated males were more likely to purchase fast food, but their education did not affect the amount spent once in the restaurant. In all three cases these variables did significantly affect the choice to purchase fast food, but had no significant effect on the expenditure on fast food once the expenditure had been made. Our treatment and control variables are included in both the selection and linear regressions.

Results in all cases show that the error terms in the selection and linear regressions are not independent, and therefore the inverse mills ratio needs to be included. Note that the variables included in both selection and linear regression often have different (and significant) signs, implying that a tobit specification would be too restrictive in this case.
We test the hypothesis that the difference-in-difference is significant for both the decision to purchase and the expenditure on advertised fast food and junk food and not for other food products. Second, we test whether the increase in consumption of fast food and junk food for families with children depends on the probability of cable (as an indicator of exposure to advertising). The difference-in-difference results on fast food expenditure are presented in Table 1.

The difference-in-difference results are significant for the determination of whether households consume fast food across all comparisons: French to English families with children in Quebec versus Ontario, other mother tongue to English in Quebec versus Ontario, and families with children to families without children in Quebec versus Ontario. These same difference-in-difference results do not significantly determine the log of expenditure after the decision to purchase has been made.

As can be seen, French-speaking families with children living in Quebec were 19 percent less likely to consume fast food than their Ontario counterparts. They also spent 46 percent less. English-speaking families in Quebec were not significantly less likely to consume fast food than their Ontario neighbors, although they did spend significantly less (44%). Families whose native language was neither French nor English were also significantly less likely to purchase fast food, and purchased significantly less. The selection and expenditure equations diverge when considering the difference-in-difference results. For all three difference-in-difference results, there is a significant difference in the choice of purchase. However, there is no significant effect on the log of expenditure. Thus, the ban appeared to affect the decision of whether to go to a fast food restaurant, it did not appear to affect the decision of how much to spend when there. Even though families with kids living in Quebec do spend significantly less on fast food than their counterparts in Ontario, we cannot attribute that effect to the ban.

In general the probability of having cable TV increased the probability of purchasing fast food for all households by about 11 percent. If the household had children, the probability of purchasing fast food increased another 4 percent. However, that increase was even greater for families with children in Quebec, where the probability of cable increased the probability of purchasing fast food by a further 13 percent. This result is consistent with our difference-in-difference results, showing greater access to media from outside the province increases the probability of purchasing fast food.

Other results of interest in the selection equation are that men and women with white collar jobs were more likely to purchase fast food (the one exception being women with pink collar jobs who were more likely than their white-collar counterparts to purchase fast food). How-

| TABLE 1 |
|------------------|-----------|-----------|-----------|
| **Difference-in-Difference Results on Fast Food Expenditure** | **Selection** | **Sig of Expenditure** |
| French in Quebec vs. Ontario | -0.193\(^c\) | 0.063 | -0.463 | 0.210 |
| English in Quebec vs. Ontario | -0.098 | 0.064 | -0.441 | 0.198 |
| Other mother tongue in Quebec vs. Ontario | -0.186\(^b\) | 0.064 | -0.498 | 0.217 |
| French vs. English in Quebec vs. Ontario | -0.095\(^b\) | 0.045 | -0.022 | 0.154 |
| Other vs. English in Quebec vs. Ontario | -0.088\(^b\) | 0.045 | -0.057 | 0.162 |
| Kids vs. no kids in Quebec vs. Ontario | -0.034\(^b\) | 1.017 | -0.024 | 0.058 |

\(^a\) indicates significantly different from 0 at the 10 percent level
\(^b\) at the 5 percent level
\(^c\) at the 1 percent level
ever, one having decided to purchase fast food, households with white collar women spent less. We see a similar result with education, where male education increases the probability to purchase, and female education decreases the expenditure. Households where both spouses are working full-time were slightly less likely to purchase fast food, but spent more when they did. Higher income increased the probability of purchase, but at a decreasing rate. Last, households tended to spend less, less often as the age of the respondent increased.

The other good we considered was breakfast cereal. Breakfast cereal is heavily advertised to children, however, as noted above, we do not have data on children’s versus adult cereal, and can only consider the effect of the ban on total expenditure. Results for the difference-in-difference approach are presented in Table 2.

All language groups have a lower probability of purchasing breakfast cereal, and spend a lower amount in Quebec than in Ontario. However we cannot explicitly attribute this lower probability and expenditure to the effect of the ban. Although the difference-in-difference results are all of the predicted sign – that is that the difference in consumption between Francophones and Allophones in Quebec compared to Ontario is larger than the difference between Anglophones in the two provinces – only one result is significant at the five percent level. As well, although there is some evidence that families with children consume less than those without kids in Quebec than in Ontario, this result is not statistically significant.

### MATCHING APPROACH

Using the matching estimand as described in Abedie and Imbens (2006), we estimate the effect of the ban in Quebec using the same set of covariates as in the case of DiD estimation. Location of residence (i.e., Quebec vs. Ontario) is the treatment variable. Following Abadie and Imbens we also control for bias using the same set of covariates. We use Mahalanobis distance function to match the households across two provinces. The matching algorithm was run with replacements and for each households in the treatment group (i.e., consumers living in Quebec) we matched 10 households in the control group (i.e., consumers living in Ontario). The estimated difference is the average difference between a treatment household and an average 10 matched control households. Table 3 provides the results.

The results imply on an average after matching a Quebec household spends $1.07 less on fast-food than a household in neighboring Ontario in 1984. Our results imply that over the four years of our study Quebec households spent less on fast-food than their counterparts in Ontario. In three of the four years (1984, 1986, and 1992) these estimates are significantly different from zero at 5 percent level. In 1990 the difference is significant at the 10 percent level. Interestingly the estimated differences show an upward trend with a small dip in 1990. In the case of breakfast cereal, we again find significant differences in expenditures. In all these four years Quebec households spent less on breakfast than comparable households in Ontario. But the magnitude of difference is much smaller.

### TABLE 2

<table>
<thead>
<tr>
<th>Selection</th>
<th>Sig of Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>French in Quebec vs. Ontario</td>
<td>-0.125&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>English in Quebec vs. Ontario</td>
<td>-0.089&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Other mother tongue in Quebec vs. Ontario</td>
<td>-0.166&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td>Difference in Difference</td>
<td>-0.036</td>
</tr>
<tr>
<td>French vs. English in Quebec vs. Ontario</td>
<td>-0.077&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Other vs. English in Quebec vs. Ontario</td>
<td>-0.016</td>
</tr>
</tbody>
</table>
CONCLUDING REMARKS

The consumption of fast food and junk food is on the rise along with the related health concerns. Several countries are responding by considering banning advertisements of unhealthy food to children. One jurisdiction that has experience with such a ban, province of Quebec in Canada, has banned advertisements to children since 1980. In this paper, we study the effect of the ban on food expenditure. Using a difference-in-difference approach, we first estimate the effect on the level of consumption of fast food, potato chips, chocolate bars, drink powders, soda pop, and fresh vegetables.

Our difference-in-difference regressions and match estimators indicate a difference in the level of consumption of fast food and breakfast cereals. Based on match estimators we find that residents of Quebec spent $73 per year (or 35%) less fast-food and breakfast cereals than the residents of their neighboring province in Ontario. On the other hand, in the case of breakfast cereal expenditure difference was of only $7.00. In the case of fast-food we also find that it is not expenses within the store that made the difference. Rather it is the purchase occasions that made the difference in expenditures. Similarly, we find that Quebec resident on an average bought less breakfast cereals. Overall, results do indicate that the ban was effective in curbing consumption of products that influenced by children of households. In the future we plan to extend this study to analyze consumption behavior of other products.

ENDNOTES

2 One severe data limitation is that all breakfast cereals are aggregated into a single category. Therefore we cannot distinguish between sugared breakfast cereal and sugar-free “adult” cereal.
3 Mother tongue is recorded in all surveys except the two from 1996, so we cannot use that year for our analysis.
4 One may hypothesize that in the later years of our sample, some adults may have grown up with the ban. Testing this hypothesis is work we hope to complete in the future.
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SPECIAL SESSION

“LOAN” RANGERS: INFORMING AND PROTECTING CONSUMERS IN THE MORTGAGE MARKETPLACE

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SUMMARY

In this session, academic researchers and policymakers examine existing efforts to inform and protect borrowers in the mortgage market. The papers presented here contribute to our understanding of consumer information acquisition and use, as well as the effects of financial markets on consumers. In particular, these studies offer perspectives on the following issues:

- Do consumers understand information about rates and terms provided in disclosure documents?
- Does the information contained in advertisements for mortgage loan products help consumers make informed decisions?
- What kinds of experiences do borrowers have in transactions with “predatory” lenders?
- What are the effects of state predatory lending laws on consumers?

Building sustainable home ownership has been a longstanding focus among policymakers, academic researchers, and consumer advocates. One issue that has received a flurry of recent attention is how to help consumers make informed decisions about mortgage products, through mandatory disclosures and other mechanisms. For example, according to a recent article in Business Week entitled “Nightmare Mortgages,” because of the complexity of information provided by lenders, consumers often do not understand the risks associated with mortgages and home equity loan products (Hovanesian 2006). Critics of the lending industry argue that existing mandatory disclosures provide too much information and/or information that is too complicated to help consumers avoid costly mistakes.

A second, important area of interest for policymakers has been the detection and prevention of predatory lending practices, such as charging excessive or hidden rates and fees. According to the Federal Trade Commission, predatory lending practices hide information from consumers that is essential for making decisions about “their single greatest asset – their home,” further, the most vulnerable targets of these practices include lower-income and minority borrowers, as well as elderly homeowners (Isaac 2001). Some of these predatory lending practices may be illegal under various federal or state laws, and enforced by
the FTC and other federal and state agencies. In this session, academicians and policymakers discuss findings from studies on lending practices and the provision of consumer information on consumers, and in the process, evaluate the effectiveness of existing regulatory and legislative efforts to inform and protect borrowers.

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MORE OR LESS DEBT: AN ANALYSIS OF THEMATIC AND INFORMATIONAL CONTENT OF HOME LOAN ADS

Vanessa G. Perry, George Washington University, Washington, DC
Carol M. Motley, Florida A & M University, Tallahassee

SUMMARY

There has been a flurry of press about the recent proliferation of home equity loans, home equity lines of credit, second mortgages, and refinances opportunities linked to rapid, substantial housing price increases in large metropolitan markets, such as Washington, D.C., New York, and L.A. These areas have experienced double-digit home value gains over the last four years, and homeowners have come to rely on home loan products to access their newly acquired “paper” equity. Some homeowners and new buyers are acquiring interest-only loans, adjustable-rate mortgages, or even negative-amortization mortgages, and borrowing more than the property’s purchase price.

Many analysts and public policy makers are apprehensive about the potential negative effects on the economy of a “popping housing bubble,” that is, a decrease in house prices combined with an increase in interest rates, (Deane 2005; FTC 2005). In addition, consumer advocates voice concerns about predatory and deceptive lending practices that offer consumers loans at excessive rates and fees (GAO 2006). Other critics suggest the information available about loan terms and risks is insufficient in some cases and too complicated in others (Braunstein 2006), both of which hinder the consumer’s ability to make informed decisions. We examine tactics used by advertisers promoting home equity products to consumers. We are interested in the information made available to consumers and the manner in which this information is conveyed.

We use a case study approach and explore the thematic and informational content of print advertisements in local newspapers for mortgage and home equity lines of credit in Washington, D.C. We examine the themes to which consumers are exposed, and determine whether these themes vary based on characteristics of the publication’s target audience. We assess the advertisements’ information content using Stern and Resnik’s (1991) framework for evaluating informational cues. Specifically, we examine whether these ads contain information about price or value; quality; performance; risk; and availability. In addition, ad messages are examined to determine key themes in unique selling propositions, central and peripheral elements, and characteristics of the publication and its readership.

Findings from a content analysis reveal three main themes: Realizing dreams; saving money; and freedom from debt-burdens or credit problems. Mainstream publications tended to include ads that focused on realizing dreams and saving money. Ads that featured messages about saving money were more likely to include informational cues, e.g., details about interest rates, loan terms, and exceptions. Messages about realizing dreams included fewer informational cues. These themes differed substantially from common themes in ads in smaller, targeted publications. For example, publications targeted to the African-American community tended to emphasize debt burdens and credit problems. Ads in Hispanic-targeted publications were likely to emphasize loans that did not require income verification or other low documentation requirements. Few of the ads in the smaller publications included information about specific rates or fees. None of the ads included information about risk to the consumer.

Implications for marketers and policymakers about improving loan advertising claims are discussed. References available upon request.
Special Session: “Loan” Rangers: Informing and Protecting Consumers in the Mortgage Marketplace

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SPECIAL SESSION

CURRENT ISSUES AND RESEARCH ON OBESITY: WHAT DO CONSUMERS REALLY KNOW AND DO THEY USE NUTRITION INFORMATION?

Session Organizer:
J. Craig Andrews, Marquette University, Milwaukee

Presenters:
J. Craig Andrews, Marquette University, Milwaukee
Scot Burton, University of Arkansas, Fayetteville
Pierre Chandon, INSEAD, France
Elizabeth H. Creyer, University of Arkansas, Fayetteville
Richard G. Netemeyer, University of Virginia, Charottessville
Brian Wansink, Cornell University, Ithica

Discussant:
Alan S. Levy, Food & Drug Administration

OVERVIEW
Over the last several decades, the incidence of adult (and child) obesity has grown at an alarming rate (CDC 2006). With approximately 65 percent of the U.S. adult population overweight (BMI>25) and 30 percent obese (BMI>30), many federal and state public health agencies are labeling the problem as the “nation’s obesity epidemic.” In March 2004, the FDA released its final report from its Obesity Working Group and made several recommendations, including enhancing the food label to highlight calories more prominently, initiating consumer education programs focusing on caloric messages, and encouraging restaurants to provide nutritional information to consumers (FDA 2004). However, very little is known about how consumers will react to these specific initiatives and (in general) what consumers really know about what they eat, their obesity/caloric knowledge, and how they might react to new nutritional information and disclosures. Therefore, the objectives for the session are to examine (1) “internal information” about what consumer know about what they eat, possible biasing health halos and their obesity/caloric knowledge and (2) “external information” about how consumers will react and process new nutrition information in advertising and on restaurant menus, as well as disclosures in these formats.

Three papers are to be presented as part of the special session. First, Wansink and Chandon present and test a halo-based explanation as one factor for the U.S. obesity paradox (i.e., America is a land of low-calorie food claims, yet high calorie food intake). The results of four studies indicate that most consumers underestimate the number of calories in main dishes and order a greater number of higher calorie side dishes, drinks, and desserts, especially from restaurants claiming to be healthy. In Burton and Creyer’s presentation, a series of four studies examine the accuracy of consumers’ estimates of calories and nutrients for meals at restaurants and the effects of disclosures on attitudes and purchase intentions. In general, while consumers substantially underestimate the calorie (and nutrient) levels for less healthy meals, disclosure of actual nutrition levels results in lower evaluation of such meals. Finally, in Andrews, Netemeyer, and Burton’s presentation, reduced caloric claims for a product not low in calories are studied to see if disclosures, revised facts panels, caloric/obesity knowledge and/or body mass index (BMI) will impact caloric beliefs, attitudes, and risks associated with obesity. Results indicate main effects for ad claims, disclosures and obesity/caloric knowledge, as well as several interaction effects. For example, the disclosure of high caloric content and provision of high caloric information in facts panels helped
reduce (erroneous) positive impressions from reduced calorie claims. All session papers offer important implications for marketing and public health policy.

In summary, the primary issues and topics that will be covered in the special session include: nutrition disclosures, calorie estimation accuracy, biasing health halos, away-from-home consumption, obesity/caloric knowledge, and revised facts panels. Again, a key issue explored across the papers is the effectiveness of “internal information” such as knowledge of what one eats and obesity/caloric knowledge in general, as well as the effectiveness of “external information,” such as revised nutrition facts panels in advertising and on restaurant menus as well as nutrition disclosures in these formats. As research on health, nutrition labeling and advertising claims has represented a major topic area of interest to the marketing and public policy and consumer welfare disciplines (Andrews 2001; Mick 2006; Sprott and Miyazaki 2002), and has drawn substantial interest in the popular press (i.e., Wansink 2006), we feel that the session offers current research findings that will help contribute to knowledge in our field.

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THE BIASING HEALTH HALOS OF FAST FOOD RESTAURANT
HEALTH CLAIMS: LOWER CALORIE ESTIMATES AND
HIGHER SIDE-DISH CONSUMPTION INTENTIONS

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SUMMARY

Why is America a land of low-calorie food claims yet high-calorie food intake? Four studies show that people underestimate the caloric content of main dishes and choose higher-calorie side dishes, drinks, or desserts when fast-food restaurants claim to be healthy (e.g., Subway) compared to when they do not (e.g., McDonald’s). We also find that the effect of these health halos can be eliminated by simply asking people to consider whether the opposite of such health claims may be true. These studies help explain why the success of fast-food restaurants serving lower-calorie foods has not led to the expected reduction in total calorie intake and in obesity rates. They also suggest innovative strategies for consumers, marketers, and policy makers searching for ways to fight obesity.

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DO WE KNOW WHAT WE EAT? ADDRESSING THE ACCURACY OF CALORIE, FAT, AND SODIUM ESTIMATES OF RESTAURANT ITEMS AND POTENTIAL EFFECTS OF NUTRITION DISCLOSURES

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Elizabeth Creyer, University of Arkansas, Fayetteville

SUMMARY

While the direct relationship between obesity and the number of preventable deaths has become broadly debated (e.g., Flegal et al. 2005; Gibbs 2005), it remains clear that obesity is associated with chronic diseases such as type 2 diabetes, heart disease, and stroke (CDC 2006). Given these concerns, some public policy makers and public-interest groups have focused on the restaurant industry and consumers’ away-from-home food consumption. For example, the Menu Education and Labeling Act (MEAL) has been proposed in Congress and would require fast food restaurant chains with ten or more outlets to disclose calorie information on menu boards, while table service restaurants would be required to disclose calories, saturated fat, and sodium levels on menus.

This research addresses a number of issues across four studies related to the accuracy of consumers’ estimates of calories and nutrients (e.g., fat, sodium) for meals at dinner house and fast food restaurants, and the effect of disclosures on attitudes and purchase intentions. Study 1 examines the accuracy of consumers’ expectations of the calorie, fat, saturated fat, and sodium levels of table service restaurant foods, and determines the degree to which accuracy varies depending on the calorie and nutrient levels of the items. Calories (and nutrient) levels moderate accuracy such that estimates for healthier meals are relatively accurate, but for less healthy meals calories, fat, and particularly sodium are substantially underestimated. For these less healthy meals, actual fat and saturated fat levels were twice consumers’ estimates and calories approached two times more than what consumers expected. Study 2 extends these findings to actual consumption of fast food items using a diary methodology. Results of this study also indicate that consumers underestimate calories, fat, and sodium levels, underestimation is more substantial for higher calorie meals, and that nutrition levels and level of accuracy varies across different fast food chains. Upon disclosure of nutrition levels, higher calorie meals result in lower evaluations compared to the evaluations prior to the disclosure, while there is either no change or more favorable evaluations of lower calorie meals.

Given this evidence of underestimation of less healthy meals, Study 3 uses a 4 (menu items) x 3 (nutrition disclosure condition) mixed experimental design to address how the provision of nutrition information on a mock menu affects consumers’ attitudes and purchase intentions when actual calorie and nutrient levels are either much higher or about the same as consumers expect. As predicted, when expectations are disconfirmed by the disclosure of nutrition information about less healthy meals, the disclosure has a significant negative influence on product attitude, purchase intention, and reported item choices of adult consumers. Study 4 replicates and extends these findings in a mixed design experiment using menu stimuli consisting of more and less healthful fast food items and nutrition disclosure conditions.

Findings related to the moderating effects of disclosures offer a number of implications for public policy and potential legislation regarding the disclosure of nutrition information in chain restaurants. Findings from several of the studies have been discussed in both the U.S. Congress and the House of Commons in Canada, and they have been of interest to Congressional staff and other groups examining the potential for nutrition disclosures. Limitations of the studies and future research that is still needed will be addressed. References available upon request.
Special Session: Current Issues and Research on Obesity: What Do Consumers Really Know and Do They Use Nutrition Information?

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THE ROLE OF CALORIC/ObESITY KNOWLEDGE AND BMI IN PROCESSING NUTRITION AD CLAIMS, DISCLOSURES, AND REVISED NUTRITION FACTS_PANELS

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SUMMARY

According to the CDC (2006), obesity has increased at an epidemic rate over the last 20 years. Currently, 65 percent of all Americans are overweight (Body Mass Index (BMI) > 25) and 30 percent are obese (BMI > 30). When adjusted for age and smoking factors, obesity is associated with approximately 112,000 deaths each year over normal weight categories (Flegal et al. 2005). Moreover, being overweight and obese greatly increases the risk of coronary heart disease, type 2 diabetes, and several types of cancers (CDC 2006). A recent FDA Working Group on Obesity (2004) focused on nutrition facts panel changes to food labeling and allowable caloric claims to help in the fight against obesity. However, relatively little is known as to whether and under what conditions such labeling and claim changes will be effective, especially in an advertising context.

Thus, the purpose of this experimental study is to examine the effects of nutrition ad claims (i.e., reduced calories, reduced fat), disclosures, revised nutrition facts panels focusing on calories, nutrition knowledge on calories/obesity, and BMI in helping to combat perhaps the most serious public health problem in the U.S. today, i.e., reducing obesity. Specifically, reduced caloric and reduced fat claims in ads for a food product not low in calories are studied to determine if disclosures (e.g., “contains 400 calories per serving, an amount determined by the FDA to be high”) will have an effect on caloric beliefs and attitudes. The study also seeks to determine if recently proposed changes to nutrition facts panels highlighting caloric content will have an effect on the beliefs and attitudes. However, based on previous nutrition research, it is expected that processing of caloric and fat ad claims, disclosure information, and nutrition facts panels will depend on the consumer’s level of nutrition knowledge on calories/obesity and one’s body mass index (BMI).

A total of 480 consumers were sampled in mall intercepts from three U.S. cities (New York, Chicago, Los Angeles) in examining effects of reduced caloric and reduced fat ad claims, disclosures, nutrition facts panels, obesity/caloric knowledge, and BMI on nutrient and disease beliefs and attitudes. (Control conditions were used for ad claim, disclosure, and facts panel factors.) Key findings indicate strong main effects for ad claims, disclosure statements, and obesity/caloric knowledge. Several interaction effects also emerged. In the case of nutrient beliefs, disclosure x ad claim and facts panel x ad claim effects were detected. For example, the disclosure of high calorie content and provision of high calorie information on facts panels helped negate positive (erroneous) impressions created from “1/2 calorie” ad claims. Similarly, a facts panel x BMI interaction for nutrient beliefs indicated that the new facts panel information format was more effective for the obese BMI group in (correctly) determining that the product was not low in calories and not healthy for you. In the case of disease beliefs, there were disclosure main effects and a knowledge x BMI interaction. Both higher levels of obesity/caloric knowledge and the highest (obese) BMI group tended to (correctly) link regularly eating the high calorie product with contributing to the risk of developing certain types of cancers. Implications for health policy and future research will be discussed.

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LOSING MY GOOD NAME: TEENS, ONLINE PRIVACY, AND IDENTITY THEFT

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SUMMARY

Introduction

Identity theft occurs when someone uses another’s “. . . name, Social Security number, date of birth, or other identifying information, without authority, to commit fraud” (FTC 2005d). The growth in identity theft, affecting 27 million Americans (Synovate 2003), mirrors the growth of online scams and security breaches that have proliferated as Americans have increasingly adopted the Internet. Recent press reports (Knight Ridder 2005) and statistics gathered by the FTC (FTC 2006a; FTC 2005c) indicate a growing trend of identity thieves targeting teens, frequent Internet users (Roberts, Foehr, and Rideout 2005). Since the legal protections available to children under the age of thirteen (COPPA 1998) are not extended to adolescents, they are left vulnerable even as they are the household computer’s heaviest, and likely unsupervised, users (Lenhart 2005). Yet little attention has been paid to adolescents in privacy or identity theft research.

Risky adolescent behavior is a concern for parents, educators, and policy makers. Researchers have explored methods for helping teens protect themselves in a variety of domains, generally health related, using Protection Motivation Theory as a framework. Risky online behavior is analogous to risky health-related behavior, with the potential negative outcome of identity theft. The study expands on previous research by applying a theoretical framework and offering practical recommendations to educators and policy makers.

Protection Motivation Theory, Teens, and Identity Theft

This study examines the relationships between adolescent perceptions of their risks for identity theft and their related protection behaviors based on an established model of Internet protection behaviors, the i-Safety model (LaRose, Rifon, and Enbody 2006). The model uses concepts from Protection Motivation Theory that emphasize the role of perceptions of threat vulnerability and severity, coupled with self-perceptions of ability to cope with those risks (self efficacy and response efficacy) for the enactment of self protection behaviors (Rogers 1975; Tanner, Hunt, and Eppright 1991).

Methods

A convenience sample of teen-aged students (n = 167) at a Midwestern high school completed self-administered questionnaires that included measures of perceived threat severity, vulnerability, online privacy self-efficacy, online privacy response efficacy, protective online behavior, and social desirability.

Results

Vulnerability perceptions were at the low end of the scale and with little variation. Severity perceptions showed the same pattern but in the other direction. Respondents believed that the consequences of identity theft and related privacy violations were severe, but did not believe they personally were at risk. Self-efficacy perceptions were more varied with a more normal distribution across the range of values. Respondents appear more confident in their abilities to perform easy tasks but less confident in their abilities to use more advanced tools. Response efficacy followed a similar pattern but respondents appear to have more faith in the technical fixes than in their own ability to use them.

A multiple regression was performed to predict students’ protective behavior based on the key variables in the model. The model resulted in a significant regression equation ($F(6,133) = 13.455, p < .001$), with an $R^2$ of .378. Self-efficacy dimensions (advanced, moderate, and easy) were significant predictors, as was response efficacy. Threat severity was marginally significant, while threat vulnerability was not a significant predictor of protective online behavior.
Discussion

Overall, the data offer some troubling findings on the perceptions that teens have about their susceptibility to privacy violations and identity theft. The teens surveyed in this study do not believe that they are at risk, nor are they likely to adopt even simple protective behaviors.

The findings do offer hope that interventions might be developed to help teens engage in protective behaviors. Consistent with other applications of PMT, those students who were confident in their abilities to protect themselves were most likely to do so. Further, they understood that the consequences of online privacy violations, particularly identity theft, can be severe though they were less convinced that such online threats were applicable to them personally. This juxtaposition of perception extremes underlines the importance of education in the tools and behaviors that can protect against privacy violations and suggests how such interventions might proceed. That is, these findings seem to suggest the necessity of personalizing the threat potential as well as offering training and help with respect to how online threats can be met as well as mastered. References available upon request.

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WEBLOGS: NEED FOR RECONTEXTUALIZING CONSUMER PRIVACY

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ABSTRACT

We examine consumer privacy concerns in the context of weblogs. The emerging issues are self-disclosure, unintended audience, intrusion into virtual space, and the disclosure of information about others. Results indicate that consumer privacy policies should consider not only consumer-marketers but also consumer-consumer interactions. This perspective adds new dimensions to the domain of consumer privacy, including self-identity, self-representation, and social and communal relationships.

INTRODUCTION

Xanga.com,1 a popular social networking Web site on the Internet, was penalized one million U.S. dollars for violating children’s online privacy protection rule since they collected, used, and disclosed personal information from children under the age of thirteen without first notifying parents and obtaining their consent (FTC 2006).

Weblogs represent a new form of online communication and information exchange, and have exploded in popularity over the last several years. Blogger.com defines a blog as an “easy-to-use website, where you can quickly post thoughts, interact with people and more.” Blogging software helped automate the website creation process, distinguishing the weblog from other Internet communication protocols (Blood 2004). Researchers draw on different dimensions of the phenomenon including unique format, diversified content, the easy-to-use technology, and online behavior to demonstrate how blogs have forged a brand new interactive web environment (Blood 2004; Halavais 2002; Herring, Scheidt, Bonus, and Wright 2004). There are millions of weblog sites, and the number continues to climb exponentially (Herring et al. 2004). They have begun to influence daily life in major areas – the media, politics, public attitudes, private and public boundaries, communications, and education to name just a few (Herring et al. 2004; Nardi, Schiano, Gumbrecht, and Swartz 2004; Van House 2004; Wei 2006). Consumer privacy concerns factor highly among the issues raised.

Most past privacy concerns focus on the balance between the marketer’s need for information and consumer’s desire for privacy. Stewart and Zhao (2000) state that “the Internet has made clear how different the standard of protection of individuals is from the protection of business interests.” Although in marketer-consumer relationships, rational cost-benefit trade-offs may be assumed, the more personal relationships of weblogs may mean disclosure behavior is more emotional. The proliferation of weblogs calls attention not only to marketer-consumer interactions but also to lateral communication between consumers themselves.

In this paper, we will synthesize research on weblogs to provide an overview of the nature of the blogosphere, examining exactly why and what people blog. Next, we will review consumer privacy literature to see how well it captures privacy concerns regarding weblogs. Then, we will study privacy concerns addressed by the Federal Trade Commission from a report on online privacy policy (FTC 1998) and the OnGuard Online2 website. Through a preliminary examination of weblogs’ privacy-related policies, we hoped to learn how these policies comply with FTC guidelines and to cover privacy issues more generally in the blogosphere. Our aim is to identify the gaps between consumer privacy concerns on weblogs and the issues already addressed by academics, the FTC and the business interests involved.

BACKGROUND

Public Concern about Online Privacy

Privacy and the protection of consumers’ personal information have been discussed for a long time, particularly in the area of direct marketing. The Privacy Act of 1974 established the Privacy Protection Study Commission (PPSC), a body charged with investigating the privacy issues raised by mailing lists used in interstate commerce (Milne and Culnan 2002; PPSC 1977). Cespedes and Smith (1993) and DeCrew (1997) have researched privacy issues related to database management. As a subset of privacy, consumer privacy places more emphasis on physical space and information (Goodwin 1991) and has been described as a continuum, contingent on consumers and their individual experience (Caudill and Murphy 2000; Foxman and Kilcoyne 1993).
Online consumer privacy was a hot topic in the 1990s, particularly in e-tailing and e-commerce (e.g., Caudill and Murphy 2000; Milne and Culnan 2002). The Federal Trade Commission (FTC 1996) added Internet privacy to its policy agenda beginning with a series of public workshops designed in part to promote self-regulation within the United States. According to Milne and Culnan (2002, p. 346), self-regulation encourages organizations to voluntarily implement fair information practices and govern the collection and subsequent use of personal information gathered online. Research on Internet privacy expanded during the 1990s (e.g., Bloom, Milne, and Adler 1994; Foxman and Kilcoyne 1993; Goodwin 1991; Jones 1991; Milne 1997; Sheehan and Hoy 2000; Thomas and Maurer 1997).

In “The Emerging Digital Economy” (U.S. Department of Commerce 2006), issues related to consumer privacy and security were perceived as potential challenges to marketers. Sheehan and Hoy (2000, p. 63) stated that internet users were aware that their information was being collected in cyberspace. But not all of them were concerned about privacy and security issues (Nowak and Phelps 1995). Permission for marketers and other internet users to use information became a critical public safety concern. Internet users confronted privacy problems as they became more aware that their personal information was being collected and used by people without permission (Nowak and Phelps 1995; Sheehan and Hoy 2000).

In 1998, The Federal Trade Commission (FTC) identified five core principles to guide the development of privacy policy on the Internet. These principles aim to protect consumers in the collection, use, and dissemination of their personal information. Based on these principles, Caudill and Murphy (2000, p. 11) argue that the difficulty in regulating online privacy is a central issue debated among self-regulators, government regulators, and privacy advocates.

**What Makes Weblogs Different?**

Weblogs are defined as frequently updated websites that contain dated entries arranged in reverse chronological order (Walker 2005). Compared to a personal Web page, blogs are more frequently updated. They also have smaller units of measurement: posts. A post is a self-contained topical unit. One page may include many posts. Herring et al. (2004) describes blogs as a hybrid genre, unique in their synthesis of particular features of their predecessors and new technology.

Weblogs provide a mechanism for personal publishing, encouraging free expression of thoughts, feelings, and commentary (Walker 2005). “Blogs are merely nomenclature for a technology that allows people to communicate their ideas and experiences” (Trammell and Keshelashvili 2005, p. 971). Weblogs not only provide a virtual space for people posting their messages, images, and videos, but also a platform for sharing and communicating with other Internet users or “bloggers.” Papacharissi (2002) asserted that weblogs enable bloggers to “stage an online performance through which the individual’s personality or aspects of it are revealed.”

**RESEARCH ON WEBLOGS AND BLOGGING**

Recently, there has been a profusion of academic research on weblogs (Blood 2004; Halavais 2002; Gumbrecht 2004; Herring et al. 2004; Nardi et al. 2004; Trammell and Keshelashvili 2005; Van House 2004; Viégas 2005; Wei 2006). Research focuses on blog content and formats, bloggers’ characteristics, motivations, behavior patterns, and social implications. Common methods used are content analysis, surveys, personal interviews, and ethnography. All of the research found comes from other fields, but not from marketing and public policy. This research serves to understand and improve modes of communication, or even develop blogging software. This research also raises privacy concerns that are not covered by existing theoretical frameworks of online privacy. In this section, we first present blog literature in the domain of consumer privacy. We introduce some research relevant to privacy issues and then describe a brief overview of weblogs’ characteristics and purposes that are relevant to privacy concerns.

**Blog Research**

Herring et al. (2004) conducted a content analysis of 203 randomly-selected weblogs to study blog features, purposes and structures. Based on this profile, they argue that the weblog is a hybrid genre compared to its antecedents. Trammell and Keshelashvili (2005) conducted a content analysis of 209 A-list blogs that are well-known and regularly linked to by others. Their research question is how these A-list bloggers, also known as new influencers, strategically manage impressions and self-presentation. They found that these bloggers choose to disclose their personal information as a tactic to make certain impressions on an audience.

Nardi et al. (2004) conducted ethnographic interviews with 23 bloggers while observing their blogs to study the underlying motivations of blogging as well as the relationships between bloggers and both their known and unknown audiences. Their purpose is to improve blogging software based on their findings. Viégas (2005) presented
is a fine line between postable and non-postable information. Most bloggers expect feedback from their readers. There creates an idea of intimacy with one’s audience. Third, perception. Among these tactics is self-revelation, which several impression management tactics to sway public influence others. Trammell and Keshelashvili (2005) found in a range of privacy-related issues varying from minor embarrassments with family and friends to termination of their employment” (Viégas 2005). Bloggers also reported that although they had often faced problems because of their posting, asking permission for posting about others seems not to be the rule.

**What Do People Disclose on Weblogs?**

Literature has identified three basic forms of blogs: filters, personal journals, and notebooks (Herring et al. 2004; Trammell and Keshelashvili 2005). Filter blogs provide links to external sites. This form of blog serves as a valuable filter for an audience (Blood 2002). Most agree that filter blogs account for the majority of such sites on the web (Blood 2002). However, many studies have found that personal journals presenting bloggers’ inner thoughts, feelings and daily activities are actually the most popular and widely-read (Herring et al. 2004; Trammell and Keshelashvili 2005; Viégas 2005).

Herring et al. (2004) found that the bloggers they surveyed were quite open about their real-life identities. For instance, 92.2 percent of them chose to provide their names online. Other personal information such as gender, age, occupation, geographic location, and email address is commonly provided on weblogs. Some bloggers even have photographs of themselves on their sites. A few even posted their telephone numbers and mailing addresses. These people also regularly disclose information related to and the names of their friends, colleagues and relatives on their blogs.

**Why Do People Blog?**

Nardi et al. (2004) elicited a range of blogger motivations. First, bloggers use their sites to document their lives. Problems and emotions related to work are common topics. Even mundane events or activities are likely to be logged to affirm the authors’ existence (Nardi et al. 2004). Second, some blogs are used to express opinions and influence others. Trammell and Keshelashvili (2005) found A-list bloggers known as new influencers implement several impression management tactics to sway public perception. Among these tactics is self-revelation, which creates an idea of intimacy with one’s audience. Third, most bloggers expect feedback from their readers. There is a fine line between postable and non-postable information. In order to attract audience attention and prompt feedback, bloggers maintain fairly fluid boundaries of propriety. The fourth reason that people create blogs is to facilitate their thinking process. And last but not least, people blog to release emotional tension and anxiety.

**Challenges to Privacy Concerns**

Foxman and Kilcoyne (1993) describe privacy as contingent on social and personal experience and contextually dependent. So far, consumer privacy has been framed in a context of transactions between consumers and marketers. Consumers weigh the cost of giving away their personal information against the benefit of compensation, incentives provided by marketers, the potential benefit of having better products and services offered by marketers, or long-term relationships with marketers. Privacy concerns about disclosure to third parties have also been focused on marketers’ practices of using and disseminating consumer information. Blogging, however, is a social activity that allows bloggers to reach out to their normal as well as virtual social networks (Nardi et al. 2004). What consumers perceive as privacy concerns in transactions with marketers might not be applicable to their interactions with relatives and friends in a weblog environment.

The exact definition of “personal information” is slippery and controversial. FTC defines it as including both non-identifying and identifying information. Caudill and Murphy (2000) criticize that this definition is not enough. They see personal information as a spectrum ranging from public to private information. Often, the development of technology shifts more personal information from private space to public space. This phenomenon is readily observable in the blogosphere. Bloggers voluntarily and intentionally detail not only their identification information but also their daily activities, deeply-held emotions, feelings and thoughts; these things aren’t relegated only to themselves but are also connected to others. The traditional approach to privacy has centered on personal information. In the blogosphere, however, so much personal information is available that the old framework for privacy protection may not be sufficient.

Data from Viégas’s (2005) study, in line with stories from newspapers and magazines, reveal cases where people have experienced trouble with their blog posts. This also implies that there are people who have trouble with others’ posts about them. Privacy concerns are no longer limited to how marketers collect, use and disseminate consumer information. Consumers can now become both victims and intruders due to the lack of privacy regulation for blogging. Even though his study shows that bloggers feel liable for what they decide to post, Viégas (2005)
argues that norms of acceptable blogging behavior are still open for individual interpretation.

Previous research shows that consumers have not perceived the potential misuses of their information posted on blogs, especially in the blogosphere of persistent archive and searchable environments. One possible explanation for this is their lack of sense about who comprises their audience. Most bloggers believe that they know their audience either in person or through tracing IP addresses and trackbacks (Viégas 2005). In addition, there has not been much public concern with how marketers utilize consumers’ life stories. Consumers should know that their posts often paint complete pictures of their lifestyles. Not only are their intended audiences interested in their stories, marketers, and other unintended audiences, are too.

**CONSUMER PRIVACY THEORETICAL FRAMEWORKS**

Individual right to privacy has been addressed with two principle dimensions: the right to be left-alone and the right to control information about oneself. Consumer privacy has attracted much public and academic attention during the 1990s (Bloom, Milne, and Adler 1994; Foxman and Kilcoyne 1993; Goodwin 1991; Jones 1991; Thomas and Maurer 1997). Goodwin (1991) summed up the concept of consumer privacy in two major points: control of unwanted intrusion into the consumer’s environment and control of information about the consumer. Physical intrusion often includes unwanted telephone calls, mail, and door-to-door sales calls. In the era of information technology, however, most of the research investigates the second dimension of privacy: control of information. These researches have attempted to balance the information needs of marketers against the security and privacy concerns of consumers. Common theoretical frameworks dissecting control of personal information focus on two elements: control and acknowledgment of information collection and usage.

The development of information technology has led to many changes in privacy concerns and regulations. Caudill and Murphy (2002) suggested a need for a redefinition of personal information. They argue that personal information includes not only private information but also public. The Internet has moved personal information toward the public end of the continuum. Sheehan and Hoy (2000) found that relationships between users and online organizations – both short-term and long-term – may influence privacy concerns online. Consumers’ privacy concerns varied according to how they determine their personal relationship with online businesses. Researchers also warn that what constitutes an effective online privacy policy is not the same as the five elements addressed by FTC. It is the relationship between the business model and information practice, and the policy that truly counts (Culnan 2000). Research results have emphasized the importance of context in protecting online consumer privacy.

One important situational factor is the entities involved in interactions where information is disclosed. So far, most of the research has focused entirely on the tension between marketers and consumers. Goodwin (1991, p. 163) instructs that “consumers may also need protection from one another.” This issue is magnified in the blogosphere. This paper approaches privacy concerns in the blogosphere in two different domains: consumer-marketer and consumer-consumer. Palen and Dourish (2003) introduce a model of privacy as a dynamic and dialectic process. It is a continual management of flexible boundaries along three dimensions of tension: publicity and privacy, self and the other, and past, present and future. The mobility of boundaries as the context changes captures the situational nature of privacy concerns. We apply the above theoretical frameworks to understand privacy related practices in the blogosphere. These frameworks illustrate some of the consumer privacy concerns about weblogs; however, because of the nature of blogs, new privacy issues have emerged.

**FEDERAL TRADE COMMISSION AND ONLINE PRIVACY**


From the above principles, the Federal Trade Commission empowered webmasters to self-regulate. In response to the increasing number of weblogs on the Internet, the Federal Trade Commission maintains a website, OnGuard Online (2006), to provide tips for safely socializing online. The guidelines aroused bloggers’ awareness in protecting their information and privacy on the Internet. These guidelines also raised issues related to publicizing bloggers to other internet users and recommended bloggers should be aware of where they post, when they post, what they post and who their potential audiences are.
PRELIMINARY OBSERVATION OF PRIVACY-RELATED POLICY FROM WEBLOGS

In this section, a preliminary examination of weblogs’ privacy-related policies is scrutinized to show how these policies comply with FTC guidelines and cover privacy issues in the blogosphere. Four weblogs were selected for this exploratory study: two text-oriented weblogs, MySpace.com and Zebo.com, and two visual-oriented weblogs, Flickr.com and YouTube.com

Webmaster’s Rights and Responsibility

Webmasters, in most cases, collect user-submitted information such as names, email addresses, and ages to authenticate users and to send notifications relating to their services. In order to build up a weblog community, webmasters also collect other personal information like personal interests, gender, educational background, and occupation (e.g., MySpace.com 2006a). Webmasters also reserve the right to reject, refuse to post or remove any post, as well as to restrict, suspend, or terminate bloggers’ access to their weblogs at any time, for any or no reason, with or without prior notice, and with no liability (e.g., MySpace.com 2006c; Flickr.com 2006b).

Webmasters play an important role as gatekeepers in disclosing bloggers’ information to the outside world. In order to protect the privacy and information bloggers post, all the webmasters in our study claimed that they would not sell or rent bloggers’ personal information to third parties for their marketing purposes without bloggers’ explicit consent. Also, they only use bloggers’ information as described in their privacy policies, but do not limit the distribution of this information to their business partners or their trusted partners (Zebo.com 2006a; MySpace.com 2006c). In order to protect the webmasters, all the privacy-related polices in the studied weblogs mentioned indemnity, which protects them and their affiliates from bloggers’ violation of any law or the rights of a third party (Zebo.com 2006b).

Weblogs’ privacy policies, in most cases, seem to comply with four principles given by the Federal Trade Commission Online Privacy Reports. Notice, Choice, Access, Security are all listed in the Privacy Policy section of weblogs in our study. However, the policy for disclosing bloggers’ information does not match what the FTC recommends. All the weblogs in this study claimed that they would not sell or rent the cookies or bloggers’ IP addresses to third-party. However, they do share this information with their affiliates and business partners. This increases the risk of disclosing bloggers’ information to other parties like advertising agencies and marketing companies.

Blogger’s Rights and Responsibility

Bloggers are asked not to post messages or any other items related to sensitive topics. Messages or items that promote hate, bigotry, or physical violence, as well as racial or ethnic intolerance are strongly discouraged. Also, the violation of copyright, trademark, industrial design, or patent rights are prohibited (Zebo.com 2006a; MySpace.com 2006c). However, the privacy policies and the terms and conditions of weblogs are only guidelines and are therefore not legally binding.

Webmasters recommend that bloggers obtain permission from other users before posting their information. Also, under user agreements, bloggers promise to allow other parties to remove themselves and their information from posts, and to give others a chance to review the information bloggers have collected about them (Zebo.com 2006c). For most weblogs, children under age 13 are not permitted to use the services without parental guidance. Safety tips for parents were provided in some cases (e.g., MySpace.com 2006b). In YouTube’s case, videos with nudity, graphic violence or hate are prohibited (YouTube.com 2006b). Bloggers’ self-regulation and self-awareness are required in order to protect their own privacy and rights.

Technical Aspects

Webmasters receive and record information on their server logs from bloggers’ browsers including IP addresses, cookie information, and the pages they request automatically (Zebo 2006c; MySpace.com 2006a; Flickr.com 2006a; YouTube.com 2006a). In ZEBO and MySpace’s cases, the webmasters set and access cookies on bloggers’ computers, cookies that will be stored in their own weblogs or domains. In this case, ZEBO and MySpace let other companies show advertisements on bloggers’ computers.

DISCUSSION

In this section, we explore the relationship between previous research frameworks, FTC suggested remedies, and weblogs’ privacy related policies to point out gaps in consumer privacy concerns existing in the blogosphere.

Self-Disclosure

FTC safety tips strongly advise and even warn users not to give out personal information. All weblog-hosting sites in
our study alert users of the risks involved in posting personal information. Despite these efforts, weblogs have a high degree of self-disclosure. People have both personal and public lives. To maintain their public lives, they may choose to withhold certain information as private, while at the same time intentionally disclose other information. Weblogs, a form of communication that falls between a personal journal and professional publishing, belongs to the public arena and allows people to manage this balance between privacy and publicity.

Research has concluded that weblogs are a genre unto themselves (Herring et al. 2004; Palen and Dourish 2003; Van House 2004). “A genre is a recognizable, stable kind of communicative artifact that is recognized by members of a community and carries a set of implicit meanings and expectations” (Van House 2004, p. 5). Blogs set expectations of self-disclosure. Palen and Dourish’s (2003) model of privacy suggests that blogs’ communal expectations of self-disclosure must shape bloggers’ privacy concerns. But bloggers may use self-disclosure as a marker of their affiliation with a weblog community.

Goffman’s (1959) theories of self-identity and social performance also help to explain the phenomenon of self-disclosure. To Goffman, self-presentation is the intentional and tangible component of self-identity. Social actors engage in complex, self-contained negotiations to project a desired impression (Schau and Gilly 2003). Weblogs, as personal web pages, offer a new way to present one’s identity. It is not simply a business transaction with a marketer.

Audience

Previous theoretical frameworks of consumer privacy observed how consumers adjusted their behavior with respect only to marketers. Palen and Dourish’s (2003) argue that consumer privacy concerns vary with respect to their specific recipients. Viégas (2005) found that bloggers seem to focus almost exclusively on their core audience: family, friends, and relatives they know in a real-life context as well. But bloggers also acknowledge that there may be a peripheral audience they do not know in person; even so, they still feel as if they know their entire audience. The fact that the audience links to them, and frequently reads and comments on their posts make bloggers feel connected to their readers (Trammel and Keshelashvili 2005; Viégas 2005; Wei 2006).

With these close audience relations in mind, bloggers choose to disclose their daily life activities, events, deep feelings, and thoughts. Their motivations to reveal such emotional information may not be approached as a rational cost-benefit analysis that might be used in other transactions with marketers. Safety tips suggested by weblogs, along with those proposed by the FTC, also warn bloggers about unintended audience members. Research has found that consumers are starting to be more concerned about which audience they aim to address (Viégas 2005; Nardi et al. 2004). In a study conducted by Nardi et al. (2004), bloggers created different sites for different audiences.

However, both bloggers and FTC warning do not seem to be aware that marketers actively harvest information from blogs. Marketers use networks of spotters, business blog writers, and actively scan MySpace, Cyworld, Flickr, and YouTube to get “what people are putting out there, what they do, what they like” (The Age 2006).

Blogging software allows users to look at access logs (logs of all IP addresses that have accessed the blogs), check trackbacks (seeing who links to the posts on the blogs) and receive comments from readers. Bloggers claim that these three features help them know more about their audience. Blog-users seem to recognize the risk of an unknown audience. However, blogging software features that set out to improve the blogging experience seem to prompt even riskier behavior in regards to privacy suggesting there may be some elements of risk compensation behavior.

Intrusion

Controlling the audience raises the issue of intrusion. Goodwin’s (1991) theoretical framework includes the invasion into physical environment. In the era of information technology, we suggest that intrusion be considered both in physical and virtual environments. Intrusion is not only limited to accessing sensitive information like credit card numbers, telephone number, but also bloggers’ personal life, histories, experience, images (include videos). Gumbrecht (2004) found that bloggers considered weblogs as a “protected space” where they have control of the blogs’ content. Blogs are also “a buffer zone” to prevent authors from immediate interaction with readers. To bloggers, weblogs are their “space.” They should have control over intrusion in their “space.” However, in the policies we reviewed there were limited technology and policies in protecting the accessibility of personal information in blogosphere. From our findings, bloggers can move their blogs from the public space to a private space within a weblog. Only authorized audiences, such as friends and family members of bloggers, were allowed to browse these blogs. Technology which allows authors to
control who can access their blogs may help this privacy concern. Self-regulation is an alternative in protecting bloggers’ privacy in blogosphere but contradicts the “freedom” in blogging.

Information About Others

Research on weblogs reveals that bloggers not only write about themselves, but also tell stories about their significant others, family members, friends, and co-workers (Viégas 2005; Van House 2004; Nardi et al. 2004). Problems with what others post on their weblogs are not new by any means. This has been a common issue in marketer-consumer relations as well, namely information ownership. Does one have the right to post about an event or activity in which one is involved? If one takes a photograph with friends at a party, does one have a right to post it on a blog? Ethical issues are raised in these instances. Norms of acceptable blogging behavior should be developed to guide disclosure of information about others. The weblog-hosting sites that we studied have already set those rules for their communities. However, Wei (2006) found that while explicit rules may shape bloggers’ behavior, actual common practices and implicit expectations also create norms within the community.

CONCLUSIONS

This study synthesized previous research on blogs, consumer privacy issues and FTC privacy policies in order to explore the nature of consumer privacy in the newly-emerged blogosphere. We found that there are indeed major gaps in the relevant literature and the governance of consumer privacy concerns. From a theoretical perspective, we suggest that consumer privacy should be considered in both a business context between consumers and marketers and a social context among consumers themselves. This perspective adds new dimensions of self-identity, self-representation, social and communal relationships to the domain of consumer privacy. In addition, considering the situational nature of privacy in this era of hyperspace, the definition of intrusion should be reconsidered. We need to know from consumers’ point of view what they consider their “environment” in the context of internet communications.

From a policy viewpoint, consumers need to be protected from information collection and exploitation by marketers as well as by other consumers. Permissions and notifications should be mandatory when consumers post about others or use material posted by others. In the blogosphere, it seems that the boundary between identifiable and non-identifiable personal information has become blurred. Fair information practices would not be “fair” if webmasters did not clearly define what identifiable and non-identifiable information means in their privacy statements. After the court case of Xanga.com that we mentioned in the beginning of this article, the contents of privacy policies are predicted to fall into two extremes. Webmasters might strictly control the content as well as user identities in weblogs in order to provide a protective and safe blogosphere for bloggers. Alternatively, some webmasters might loosen the privacy policy content in order to minimize the legal responsibility. Furthermore, our analysis shows that in some cases, technical developments would be helpful. Self-regulation could work if companies use technical invention to protect privacy as a competitive edge.

ENDNOTES

1 Bloggers in Xanga.com create Web pages and post messages that contain profile information, online journals, text, hypertext images, as well as links to audio, video, and other files other sites. General public can search and browse the Web pages in Xanga.com by search engines like Google and Yahoo (FTC 2006).

2 OnGuard Online (website: http://onguardonline.gov/socialnetworking_youth.html) is maintained by the Federal Trade Commission (FTC).

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*Marketing and Public Policy Conference Proceedings / 2007* 37
PERCEPTIONS TOWARD PERSONALIZED ADVERTISING:  
COMPARISONS AMONG THREE DIFFERENT MEDIA TYPES

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SUMMARY

Even before the debut of Internet, several experts expected that companies traded and transferred personal information of every U.S. citizen every five seconds (Shaffer 2000). Furthermore, since the Internet has become a significant part of our life, more and more companies have tried to gather and use consumer information for their marketing activity (Trollinger 2006; IBIS World 2006). Using all possible channels, online and offline, the companies develop the database consisting of personal information (Marketing News 2006). By the virtue of development of database marketing or relationship marketing, the importance of one-to-one marketing has been emphasized than ever (Kim et al. 2001).

As a result of those marketing efforts, the personalized advertising which has customized messages for each individual has gotten attention from diverse advertisers (Wolin and Korgaonkar 2005). Containing the messages created upon the consumers’ data the companies have, the advertising targeting only one person has been popular as a new advertising format (Tsao and Yuan 2003; Lekakos and Giaglis 2004). Even though the personalized type advertising has been used across several media for a long time (Stewart and Ward 1994; Howard and Kerin 2004), the development of online technology has made a real renaissance of personalized advertising (Pramataris et al. 2001). In addition to just regular e-mail to individual consumers, several high-technology-based technique for personalized advertising have been developed and been used such as mobile advertising through cell phone, interactive television (Bozios et al. 2003; Tsang, Ho, and Liang 2004).

However, despite of the increase of amount and the development of diverse technologies for personalized advertising, there has not enough studies regarding the effects of the personalized advertising (Sundar and Kim 2005). The researchers (e.g., Sheehan and Hoy 1999) have pointed out the need for examining the responses of consumers toward the personalized advertising.

There have been general beliefs indicating that when people receive the attention by personalized advertising, the effect will be increased (Pavlou and Stewart 2000). When they feel that they are especially, individually cared by an advertiser, they will have better attitude toward the advertising or the brand. However, caused by rising concern of people’s privacy issue, the traditional belief has been questioned (Omar 2000). Several researches indicate that the personalized advertising has negative effect due to the increasing concerns of consumers’ privacy (Miyazaki and Fernandez 2000; Phelps, D’Souza, and Nowak 2001; Hoy and Sheehan 1999). Once consumers feel their privacy is violated, they will show negative attitudes toward the advertising and other marketing efforts from the advertiser (Sheehan and Gleason 2001).

The major purpose of this exploratory study is providing the empirical evidence regarding recent trends of people’s perceptions when they receive the personalized advertising.

Another focus of this study is to find out if there are some differences in people’s perceptions about personalized advertising depending on the different types of media. The survey in this study asks people’s different perception regarding personalized advertising in three different media types: online (e-mail, personalized website), offline mail (direct mail, letters, packages) and phone calls (solicitation call, product recommendation).

The results will show how do people behave or perceive differently on different media advertising. Also, different perceptions depending on gender will be examined. The information from this study will not only provide the comprehensive empirical evidence about the effect of three types of personalized advertising, but also provide the insight for public policy regarding the privacy and the advertising. References available upon request.
AN EXAMINATION OF TRUST AND PRIVACY CONCERN USING A DUAL-MOTIVATIONAL APPROACH

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SUMMARY

For marketers embracing the concept of building customer relationships as a way of creating online competitive advantage, understanding how consumers view data collection in relation to their concerns over privacy remains an important issue. We propose the utilization of Regulatory Focus Theory (RFT) (Higgins 1997) as a theoretical perspective to help in understanding trust and privacy concern in an online customer relationship context. We use the RFT perspective to propose a dual-motivational structure and examine empirically how trust and privacy concern lead to a variety of consumer responses.

Relationship Marketing and Privacy

Relationship marketing focuses on establishing and maintaining on-going, mutually beneficial relationships with individual customers (Peppers and Rogers 1993). Companies today recognize the importance of building such relational bonds, yet the same interactivity has spawned several new concerns about protecting the privacy of customers (Caudill and Murphy 2000).

We propose the usage of RFT (Higgins 1997) as a dual-motivational theoretical framework to help in understanding trust and privacy concern in an online customer relationship context. RFT identified that two distinct self-regulatory motivational systems, promotion-focus and prevention-focus, guide people in their daily decisions. To study the influence of organizational practices on customer response behaviors, we propose contextual factors of the organization, post disclosure relationship factors and RFT to build a conceptual model as depicted in Figure 1. We propose that factors like reputation and information sensitivity and quality of interaction influence the trust and privacy concern. According to RFT, we

FIGURE 1
Proposed Conceptual Model

Organizational Factors and Practices
Contextural Factors
- Reputation
- Quality of
- Sensitivity

Mediators
- Trust
- Privacy

Consumer Responses
Promotion Factors
- Relational
- Relations
- Repatrons

Prevention Factors
- Defensive
- Reflective
- Disruptive
propose that trust only drives promotion-focused behavior (relational behavior, relationship investment, and repatronage behavior) and privacy concern only drives prevention-focused behavior (deflective, defensive, and disruptive behavior).

Method and Data Analyses

For the first part of the research, a controlled internet experiment was conducted in order to test the hypotheses. The hypotheses were tested using a 2 (Reputation: Strong/Weak) x 2 (Sensitivity: High/Low) x 3 (Quality of Interaction: High/Neutral/Low) between-subjects factorial design. The scenario was that of a purchase situation at a fictitious website. We used a research panel of over 400 internet users in the study. Each respondent was randomly assigned to one of the 12 scenarios. After the CFA analysis indicated good fit of the proposed model, the theoretical model was analyzed. The model was analyzed using SEM. Path estimates were significant and in the expected direction, with significant positive association of quality of interaction with trust and negative association with privacy concern. We found that trust mainly leads to promotion-focus behaviors and privacy concern leads to prevention-focus behaviors. The results identified sensitivity of information requested and quality of interaction as stronger drivers of regulatory-focused behavior as compared to the reputation of the organization. We discuss implications for marketing and public policy. References available upon request.

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SPECIAL SESSION

CONSUMER RACIAL PROFILING: PERSPECTIVES FROM ACADEMIA, LAW, CONSUMERS, AND INDUSTRY

Jerome D. Williams, University of Texas at Austin, Austin
Anne-Marie G. Hakstian, Salem State College, Salem

SUMMARY

Since 1990, anecdotal evidence, including hundreds of stories in the popular press and “hidden camera” investigations by television news magazines such as Dateline and 20/20, reveals that people of color are either ignored by sales clerks or subjected to higher levels of scrutiny – in contrast with whites – when they shop. Some of these incidents of marketplace discrimination and consumer racial profiling have been well-publicized. In this panel of academics, practitioners, lawyers, and a plaintiff, the presenters will briefly discuss this ongoing issue and present frameworks for how policy and practice may be impacted.

PANELISTS

1. Bruce Johnson is a plaintiff in a consumer discrimination lawsuit against Walgreen’s in Reno, Nevada. He has been in litigation for over three years with Walgreen’s who recently prevailed in that suit. Mr. Johnson’s case gained national attention. In his new role as consumer activist, he is currently working to organize consumers who have experienced consumer discrimination. He will provide the consumer perspective.

2. Sherrie St-Amant is a representative from the TJX Companies, Inc. who will discuss the company’s interest in participating in an audit study in its stores and provide insight from a retailer’s perspective. The TJX Companies, Inc. is the leading off-price apparel and home fashions retailer in the U.S. and worldwide, with $16 billion in revenues in 2005, eight businesses, and more than 2,300 stores, and ranked 138th in the most recent Fortune 500 rankings. TJX’s off-price concepts include T.J.Maxx, Marshalls, HomeGoods, and A.J. Wright, in the U.S., Winners and HomeSense in Canada, and T.K. Maxx in Europe.

3. Reed Colfax, is an attorney with Relman & Associates after serving as the project director of the Fair Housing Project at the Washington Lawyers’ Committee for Civil Rights and Urban Affairs from 2001 to 2004. In his work with the Committee, Mr. Colfax represented numerous individuals and organizations in housing and public accommodations discrimination cases in federal and state courts. Among other cases, Mr. Colfax litigated class actions on behalf of African-American visitors to Myrtle Beach, South Carolina during “Black Bike Week,” subjected to uniquely oppressive policies and rules by the city and businesses, and a ground-breaking action against the District of Columbia for targeting the city’s predominantly Latino neighborhoods in condemning occupied multi-family apartment buildings.

4. King Downing, is the National Coordinator for the Campaign against Racial Profiling of the American Civil Liberties Union, a 500,000-plus member organization dedicated to protecting Constitutional rights. Downing monitors and coordinates the efforts of the organization and its 53 affiliates and chapters to end racial profiling through public education, legislation, litigation, coalition-building, and media awareness. He has worked extensively on racial profiling related to law enforcement. He plans to coordinate the launch of a national campaign on racial profiling related to consumer issues. Mr. Downing received a law degree from Rutgers University and a Bachelor’s degree in government from Harvard.

5. Jerome D. Williams, is the F.J. Heyne Centennial Professor in Communication, Department of Advertising, at the University of Texas at Austin, with a joint appointment in the Center for African and African American Studies. He received his BA from the University of Pennsylvania, his MS from Union College, and his Ph.D. from the University of Colorado. He conducts research in the area of multicultural
marketing, particularly on topics related to consumer behavior in response to marketing communications strategies targeted to ethnic minority consumers. He has testified in a number of court cases as an expert witness on consumer racial profiling and on consumer response to advertising strategies.

6. Geraldine R. Henderson, is an associate professor at Northwestern University in Chicago. She earned her B.S. in electrical engineering from Purdue University and her PhD and MBA in marketing from Northwestern University’s Kellogg School of Management. Her research on marketplace diversity (urban/ethnic marketing) has been published in outlets including the Journal of Advertising, the Journal of Public Policy & Marketing, and the Review of Black Political Economy. She has also been cited in journals such as the Yale Law Journal, the University of Pittsburgh Law Review, and Urban Affairs Review.

7. Anne-Marie G. Hakstian, is an associate professor at Salem State College in Massachusetts. She earned her JD from the George Washington University Law School and is currently pursuing her Ph.D. in Law, Policy, and Society at Northeastern University. Her research focuses on race and gender discrimination. Her work has been published in law journals including the Virginia Journal of Social Policy and the Law, the University of Michigan Journal of Race and Law, and the Boston College Third World Law Review. Her research on consumer racial profiling was cited in the NAACP’s Amicus Curiae brief filed with the United States Supreme Court in support of petitioners in Arguello vs. Conoco (2003). Prior to joining academia, she worked as a consultant to federal government agencies on issues relating to Equal Employment Opportunity law and policy.

8. Sophia Evett, is an associate professor in the Psychology Department at Salem State College in Massachusetts. She earned her B.A. in Psychology at Cornell University and her Ph.D. in Social Psychology at the University of Wisconsin – Madison. Her recent research has focused on the experiences and emotional responses of targets of marketplace discrimination as well as the perceptions that others have of marketplace discrimination.

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SPECIAL SESSION

DRUG SAFETY: POLICY CHALLENGES AND ISSUES FACING FDA

Moderated Panel:
David Korn, Association of American Medical Colleges
Susan Cummins, Drug Safety Oversight Board, FDA
Jack Calfee, American Enterprise Institute

SUMMARY

Following public concerns about the health risks posed by approved drugs, FDA took actions to address drug safety including asking the Institute of Medicine (IOM) to assess the drug safety system. The IOM report, The Future of Drug Safety: Promoting and Protecting the Health of the Public, issued in September 2006 found that “There is a perception of crisis that has compromised the credibility of FDA and of the pharmaceutical industry.” Among the recommendations include: labeling requirements and advertising limits for new medications; clarified authority and additional enforcement tools for the agency; clarification of FDA’s role in gathering and communicating additional information on marketed products’ risks and benefits; mandatory registration of clinical trial results to facilitate public access to drug safety information; an increased role for FDA’s drug safety staff; and, a large boost in funding and staffing for the agency.

This panel brings together representatives from FDA, the IOM review committee and scholars to discuss the implications of this report and the challenges facing FDA and the industry. The purpose is to inform research on important questions and issues related to drug safety.

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I DON’T THINK THERE IS ENOUGH OF THOSE TYPES OF ADS: WHY SOCIAL MARKETING NEEDS TO TRY HARDER TO COMBAT THE RISING INCIDENCE OF OBESITY AND ASSOCIATED WEIGHT RELATED HEALTH PROBLEMS IN AUSTRALIA

Katherine van Putten, University of Wollongong, Australia
Sandra C. Jones, University of Wollongong, Australia

ABSTRACT

Awareness of community perceptions of current marketing for food and lifestyle can assist in the identification of gaps or barriers within current social marketing strategies designed to address the growing health crisis in Australia of obesity, diabetes, and cardiovascular disease; and can assist in providing solutions in reducing the gaps.

INTRODUCTION

Food consumption patterns in many western countries are often contrary to the nutritional advice given for healthy eating (Smith 2004), and Australia is one of the many nations that are now suffering the health consequences of these poor nutritional choices. Across the Australian population as a whole, there has been a sharp rise in the incidence of obesity and subsequent unprecedented increases in weight-related non communicable diseases such as cardiovascular disease and type 2 diabetes; formerly referred to as adult-onset diabetes but now “type 2” due to the previously unheard of incidence of the condition in children (www.nutritionaustralia.org/Food_Facts/FAQ/diabetes_detailfaq.asp). This change in the pattern of morbidity and mortality places an ever-increasing burden on the health care system (Offard 2004).

The Australian Institute of Health and Welfare (AIHW) reported that, in 2004, cardiovascular disease accounted for 36 percent of all deaths in Australia (47,637 individuals) with an estimated 1.4 million people (6.9% of the population) suffering a disability due to cardiovascular disease (AIHW 2006). AIHW also estimated that cardiovascular disease accounted for almost 17 percent of the total disease burden in Australia, placing an enormous strain on the health care budget, with costs of approximately $5.5 billion or 11 percent of Australia’s allocated health care system budget (AIHW 2006).

The statistics behind the diabetes epidemic are equally grim, with 11,735 deaths in Australia in 2004 associated with diabetes. It is estimated that 7.5 percent of Australians (1 in 14) have been diagnosed with diabetes; however it is also believed that there is a large number of people, perhaps as many again, living unknowingly with the disease in the community (AIHW 2006). As with cardiovascular disease, diabetes places an extensive burden on the health care system, with diabetes accounting for almost 5.7 percent of Australia’s overall disease burden with the potential for that figure to increase if the disease is undetected or inadequately managed (AIHW 2006).

The three major risk factors for type 2 diabetes are obesity, physical inactivity, and poor nutrition. These three risk factors, alongside diabetes itself, are also some of the preventable risk factors associated with cardiovascular disease. Given Australia’s current weight crisis, the poor nutritional intake of much of the population, and the fact that in 2004 almost half of Australian adults did not participate in sufficient leisure time physical activity to achieve even minimal health benefits (AIHW 2006), the need to address this problem is obvious.

However, it is not only the adult population that is demonstrating poor dietary choices and incurring the subsequent health risks, with Australian children as well as adults becoming increasing overweight and obese (Story and French 2004). In response to this public health crisis, researchers are examining the rich supply of unhealthy foods and the marketing of those foods to children and young people with alarming results. The food and beverage industry has recognized young people as highly influential consumers and consequently deliberately targets them with advertising for products that are inconsistent with dietary recommendations (Story and French 2004). A study by Morton et al. (2005) found that compared to 13 other countries, Australia has the highest number of food advertisements aimed at children and many of these were judged to have breached the Australian Association of National Advertiser’s Code of Ethics for Advertising to Children in relation to food and bever-
This suggests that the regulatory system in place for protecting children and young people against aggressive marketing of food products that have little or no nutritional value is not working. In Australia, children watch an average of 23 hours of television per week, and recent research shows that about one-third of the advertisements during children’s television programming (‘C’ and ‘G’ programs) are for food (Morton, Stanton, Zuppa et al. 2005) and in 2002 almost half of the food advertisements were for fast foods, chocolate and confectionary (Zuppa, Morton, and Mehta 2003).

Although it seems easy to place much of the blame on global food companies and their advertisers, they are not solely responsible for the problems of obesity and weight related diseases in Australia. It has been acknowledged by Zimmet and James (2006) and the National Heart Foundation (2003) that there have been limited strategies to address the issue of obesity in Australia and those social marketing strategies that have been developed have not been successful in raising the public’s awareness of the issue and have had minimal effect on attitudes and behaviors. The area of overweight and obesity policy in Australia lacks co-ordination, sustained focus and clear leadership. While there are well-developed national and state-based policy frameworks to guide action, they tend to focus separately on nutrition and physical activity (National Heart Foundation 2003). This means there is an inability to take a more holistic view of the issues of obesity and diseases such as cardiovascular disease and diabetes which includes such things as environmental and societal factors that influence eating and physical activity habits.

Many governments are attempting to construct strategies and policies to combat obesity and the ripple effect that it has on both the micro level (individuals’ health) and the macro level (health system expenditure). The development of a comprehensive and holistic population-based approach is supported in the literature as it allows policies and strategies to focus not only on either energy intake or energy expenditure but to include environmental and social factors and, if needed, to utilize public health supportive policies and legislation to address contributing factors such as the marketing of food and transport and recreation options (Reynolds 2004). It is posited that this in turn should begin to have an effect on individual behaviors and therefore pave the way for a more successful social marketing campaign to acknowledge and reinforce strategic objectives, recommendations and future directions.

**AIM**

The aim of this project was to explore the public’s opinion of both commercial and social marketing of food and healthy lifestyles in Australia to assist in the identification of any gaps or barriers that need to be overcome to ensure all Australians can benefit from any social marketing strategies that address the ever growing health crisis of obesity, diabetes, and cardiovascular disease.

**METHOD**

To achieve the aim of this exploratory research, a series of focus groups were conducted with members of the general public to investigate their views on food advertising. Focus groups were chosen over other methods, such as a large scale quantitative survey, as they have the potential to accumulate data that is a mixture of both public and private attitudes, values and beliefs with the potential to highlight the convergence and divergence of attitudes and behaviors within the group (Warr 2005).

A total of 10 focus groups were conducted with focus group members being recruited through a local recruitment company. Recruitment was completed using a purposive sampling method as there was the intention to select cases that would provide rich data by exploring, describing, and interpreting a range of experiences and views, as suggested in the literature by both Mathers and Huang (2004) and MacDougall and Fudge (2001). Focus group members were drawn from the surrounding Illawarra area, segmented by age and gender (see Table 1).

The number of participants in each focus group varied from four to ten (see Table 1). It is possible to see that as the participants’ age increased, so did the proportion of recruited individuals who actually attended however there was no obvious pattern of attendance by gender. The
variance in numbers from those recruited to those who attended can be explained by participants either not being able to attend the session due to work or family commitments, or simply changing their mind between recruitment and attendance. Drop outs in relation to focus group attendance are quite common and this is the reason why original recruitment numbers to this study were quite high, to ensure an adequate number of attendees for each group. The aim was to have between six and eight participants in each group, and the minimum attendance was achieved in all but one case and the maximum exceeded in four.

The sessions started with an introduction by the facilitator which included an explanation of what the research was about and what was expected from participants in relation to some general ground rules relevant to the most efficient running of group discussions. All participants were given a second information sheet identical to the one received in the information pack sent out, and a consent form to read and sign before the discussion took place. Participants were also re-informed that the focus group was to be both audio and video taped for transcription purposes only, and that they were free to leave at any time. This process assisted in addressing some of the ethical concerns of the research relating to informed consent.

**DATA COLLECTION AND ANALYSIS**

The first stage of the focus groups was designed to allow participants to engage in a more general discussion about advertising, before commencing a more focused discussion on topics that included the commercial and social marketing of food. A pre-designed discussion guide was utilized to ensure that all of the groups covered the same topics of interest. Participants were asked to write down, in an answer book provided, the first three advertisements they could think of immediately prior to the commencement of each component of the focus group discussion. Participants were then encouraged to talk about their thoughts and feelings about the relevant advertisements for that section and also what it was about the advertisements in question that they believed was the trigger for them to recall, or list, that advertisement.

Having participants write down their top-of-mind advertisements before the discussion proceeded gave the opportunity to obtain tangible quantitative data to support the qualitative data taken from the focus group discussions; to ascertain what advertisements resulted in higher unprompted recall; and to reassure participants that their recalled advertisements would still be noted in the event that there was insufficient time to discuss everything they wanted.

The analytical framework used in this study was a thematic analysis which involved a constant comparison of data; a process of clarifying, comparing, grouping and refining segments of text to create definitions of categories within the data. By doing this it was possible to focus on categories, or codes, that originated from the data itself rather than imposing a pre-defined theoretical framework which may have prohibited systematic analysis of the data (Fossey et al. 2002).

<table>
<thead>
<tr>
<th>Group</th>
<th>Age Group</th>
<th>Gender</th>
<th>Number Recruited</th>
<th>Number Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18–30 years</td>
<td>Male</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>18–30 years</td>
<td>Female</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>18–30 years</td>
<td>Mixed</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>31–45 years</td>
<td>Male</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>31–45 years</td>
<td>Female</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>46–60 years</td>
<td>Male</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>7</td>
<td>46–60 years</td>
<td>Female</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>46–60 years</td>
<td>Mixed</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>9</td>
<td>61+ years</td>
<td>Male</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
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<td>Female</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>112</td>
<td>80</td>
</tr>
</tbody>
</table>
RESULTS

Participants were asked to write down the first three advertisements (i.e., any product category, not just food) they could think of before a discussion of advertising on a general level was commenced. The medium for advertising was not specified to the participants however more often than not it was television advertisements that were discussed. When all answers were collated, a total of 21 different food advertisements were recorded, with 23 (14%) total scores received. The numbers were evenly spread across the ages groups and genders except for the female group aged 61 years plus whose score tallies between two to three times higher than all other groups. Interestingly, these results were for commercial food products only. There was only one social marketing advertisement for food, which received only a single mention.

When the groups moved onto the discussion of food advertising specifically, participants were asked to write down the first two or three food advertisements they could think of before the discussion commenced. A total of 81 different advertisements were recorded, receiving a total of 137 mentions. To assist in the analysis of the data, the advertisements recorded were grouped into general food categories (see Table 2). These categories were chosen based on research by Neville et al. (2005). Their study

<table>
<thead>
<tr>
<th>PRODUCT ADVERTISED</th>
<th>18-30 M</th>
<th>18-30 F</th>
<th>31-45 M</th>
<th>31-45 F</th>
<th>46-60 M</th>
<th>46-60 F</th>
<th>61+ M</th>
<th>61+ F</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Food and Take Away</td>
<td>7</td>
<td>14</td>
<td>3</td>
<td>11</td>
<td>8</td>
<td>1</td>
<td>2</td>
<td></td>
<td>46</td>
</tr>
<tr>
<td>Breakfast Cereals</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>Frozen and Ready Made Meals</td>
<td>3</td>
<td></td>
<td>2</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Beverages</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Confectionary</td>
<td>3</td>
<td>1</td>
<td></td>
<td>5</td>
<td></td>
<td></td>
<td>2</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Meat, Fish, and Poultry</td>
<td>1</td>
<td></td>
<td>4</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Cakes, Biscuits, and Museli Bars</td>
<td></td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Dairy</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Breads, Cereals, Rice, and Pasta</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Fruit and Vegetables</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>20</td>
<td>10</td>
<td>29</td>
<td>33</td>
<td>2</td>
<td>27</td>
<td>137</td>
<td></td>
</tr>
</tbody>
</table>
examined children’s exposure to food advertising on Australian television and coded food advertisements according to core food groups necessary for basic nutritional requirements, and then the other groups were based on additional foods. This method of categorizing food groups seemed appropriate for this research as there was the intention to explore participant’s ability to recall food advertisements for a range of food types.

Fast food and take-away advertisements far outnumbered any other food group, with twice as many mentions recorded for this category (46) as for the next most recorded category, breakfast cereals with 23 mentions. The next most frequently-recalled food group advertisements were for frozen and ready-made meals (15), followed by miscellaneous (14) which included advertisements for supermarkets, margarine and olive oil, and beverages (12). It is concerning that only 12 (9%) of the food advertisements spontaneously recalled by participants were for fresh foods such as dairy, bread, meats, and fruit and vegetables. These results suggest that either there is a significantly lower amount of advertising for fresh food, or the advertising itself is not as memorable. Either way, this finding demonstrates that fresh food advertising is not getting through the clutter of advertisements for unhealthy food options and reaching the public’s awareness.

This is also apparent when examining the themes that emerged during the discussions about commercial food advertising. Participants in five of the focus groups discussed the sheer volume of fast food advertisements, particularly for fast foods, with comments such as:

“The fast food ads are played SO much.” FG 3 (Female)

“The obvious ones are McDonalds.” FG 5 (Female)

In particular, McDonald’s advertisements were discussed in all 10 focus groups, with few comments regarding the advertisements for the fast food chain being positive, and groups particularly discussing the different methods used to entice both adults and children into the restaurants:

“My son wants the toys, not necessarily the food, but just the toy. McDonald’s always have them.” FG 5 (Female)

“There’s a McDonald’s ad that got me where they’re showing their healthy food range and saying if you go to McDonald’s today you can order healthy food. You’ve got this mother and daughter and they’re sitting down eating. The mother’s eating healthy food and the daughter’s eating a Happy Meal and she steals the child’s chips. I think that is sending mixed messages. What’s the point of the ad?” FG 8 (Male)

The power of advertising was also a prominent theme that emerged across the focus groups particularly when it is coupled with enticing imagery. Again it was the advertisements for fast food that were discussed, however, pizza and barbequed chicken take away were the more prominent advertisements mentioned:

“…and then a pizza ad comes on and everyone’s like ohhhhhhhh Pizza.” FG 2 (Female)

“When I see an ad for Chicco’s on TV and I’m pissed, I’ll be straight out the door.” FG 1 (Male)

This last comment is perhaps the most disturbing that emerged from the focus groups as it demonstrates the powerful effect that both advertising and alcohol can have on a young male and highlights the potential dangers that can unfold if this scenario was to be played out.

When asked to write down food and/or healthy lifestyle-related social marketing campaigns, participants struggled to recall any advertisements. To ensure participants had an understanding of the types of advertising that was to be discussed, the example of the “Life. Be in it.” campaign which is undoubtedly the most recognized and longest running physical activity campaign in Australia was given. Only 33 mentions were recorded in this category for a total of 10 advertisements across all focus groups that were run. This is only a fraction of what they were able to recall for commercial food products. From this data, it appears that the participants had an understanding of what social marketing of food and lifestyle meant, with seven of the 10 advertisements referring to social marketing campaigns receiving a total of 22 of the 33 mentions.

The “Life. Be in it.” campaign was the most mentioned social marketing campaign with a total of nine scores, closely followed by an advertisement promoting the consumption of lean red meat (4 mentions) and the National Heart Foundation (4 mentions). The other advertisements that do not fit under the social marketing categories were advertisements for Subway (4 mentions), vitamins (2 mentions) and “diet” (2 mentions), however throughout the course of the focus groups there was no explanation of what the “diet” advertisement was.

The inclusion of Subway in the category of advertisements for healthy food and lifestyle demonstrated a misconception of commercial “healthier options” as promotion for healthy foods which was prominent across the focus
groups, with the exception of the 18–30 year olds and the 60-year-old females. Participants discussed advertisements for healthy foods which not only included the standard social marketing campaigns but also commercial advertisements for Subway, McDonald’s lighter choices, and Lean Cuisine:

“There are the Healthy Choice ones where the parent rings up and she’s eating the Healthy Choice meal and she says ‘yes mum, I am looking after myself.’” FG 7 (Female)

“My kids go to Subway because they think it is healthy. . . . I think it is genuinely healthier because you can choose and everything is fresh.” FG 4 (Male)

Alongside the misconceptions held by some participants that advertisements for commercial products were social marketing, another prominent theme that emerged throughout the discussions was the issue of celebrity endorsements of food. This issue became a contentious one, particularly when there were doubts over why the celebrity was endorsing food products, or where concerns were raised regarding the influence a celebrity endorsement can have on the public, particularly more vulnerable consumers such as small children:

“There was a girl from Play School who was advertising Coco Pops. It really riled me because she’s got such a wonderful image, she’s a clean-cut sort of person, and here she was advertising this rubbish. She was a role model in the eyes of children.” FG 10 (Female)

“I get irritated by sportspeople who are getting involved in breakfast things. You know very well that they’re being paid oodles of money to advertise the product. For example, Nutri-grain, which is not a particularly good product. The ad suggests that if you eat Nutri-grain you’ll look like the sportsperson. I find those sorts of ads irritating.” FG 9 (Male)

Another theme that emerged from the data particularly for the 18–30 year olds, was that social marketing for health and nutrition was not aimed at them. They felt that the majority of those ads were either aimed at young children, or parents with families and that there are simply not enough social marketing advertisements in the public domain:

“I don’t think there is enough of those types of ads . . . we couldn’t even think of a handful, there’s not enough of them.” FG 2 (Female)

However the advertisements they do recall, combined with the amount of negative information regarding health given to them through other media outlets such as public affairs television shows, have resulted in many members of this age group almost tuning out any social marketing messages completely:

“I think people are sick of hearing about all the stuff they shouldn’t do, and not hearing realistic solutions.” FG 2 (Female)

“Yeah, and we stop listening to messages. We have been told that just about everything can give us cancer, so when someone new comes out and says ‘fish can give you cancer,’ I’m like ‘I don’t care’.” FG 2 (Female)

The discussions that took place within this age group identified a gap of appropriate and truthful health promotion messages about healthy food and lifestyle for young adults in Australia that social marketing has not yet filled. Participants in the older age groups also had concerns about social marketing however this was not in relation to whom the messages were targeting, but rather how health promotion could compete in the advertising world against big business:

“The people who are doing the car ads and the alcohol ads have unlimited budgets. ‘Life be in it’ and the National Heart Foundation, what sort of budget have they got? So they’re not memorable. The State or Federal governments don’t have the unlimited resources and the brainpower to think up the really clever ads.” FG 10 (Female)

“Most health promotion ads don’t come on at prime time because those timeslots cost a lot of money. Cars and alcohol, those brand names, can afford those high end commercials.” FG 9 (Male)

Despite the scepticism some participants felt toward the actual impact social marketing could have, many were open to the idea of sensible policies to address the issue surrounding healthy food promotion particularly for young people. The 31–45 year-old females discussed this issue at length with emphasis on the involvement of the education curriculum in schools and other health promotion initiatives such as healthy canteen strategies. They were however aware that these strategies were still a form of advertising; however, because of the context, it was acceptable:

“Public health has changed their tack. For example, everybody who has kids, has to know about the
healthy canteen strategies. By getting all the junk food out of the canteens, you’re reinforcing good behavior and competitions. If you bring a piece of fruit, you get a point for your class. It’s a different type of advertising.” FG8 (Female)

It can be seen that social marketing does not fare well in the opinions of participants over the age of 30 years when it is in a more traditional, media-based form. However when considered as part of broader, more realistic operational strategies – particularly ones that are positively impacting on their children – they are much more positive and express a view that social marketing can work.

**DISCUSSION**

The results of this study show that members of the Australian public have problems recalling social marketing advertisements for healthy food and lifestyle, whereas they experience little difficulty when asked to recall commercial food advertisements. This difference in levels of awareness was demonstrated by a total of 81 commercial food advertisements being recalled by the research participants compared to 10 social marketing advertisements (of which three were actually for commercial products). What was surprising was the number of misconceptions the participants had regarding what was a social marketing advertisement for food, with many confusing social marketing with commercial advertisements for products which are promoted as (and perceived to be) healthy food. This suggests that if the general public cannot differentiate between genuine social marketing for health and the intelligent (and perhaps, in some cases, deceptive) commercial marketing of popular foods and that there is a gap that needs to be met by equally intelligent and memorable social marketing of healthy foods and lifestyle.

The need to create age-appropriate social marketing campaigns was also evident. The younger groups of participants (18–30) in this study could not identify with any of the social marketing advertisements discussed as they felt they were too old for the campaigns aimed at children, and too young (or, at least, in the wrong life stage) for those aimed at parents and families. Excluding any age bracket from public health campaigns is dangerous, particularly when these same consumers are bombarded with advertisements for nutritionally poor food which give mixed messages about balanced diets and potentially render the few sporadic social marketing messages that do appear effectively useless (Neville et al. 2005).

The issue of celebrity endorsements in advertising was an issue for focus group participants. The media is swarming with images of celebrities and, due to the amount of public recognition they receive, it seems only natural that celebrities are used in advertising campaigns. It is believed that the target audience’s positive feelings toward, and cognitive associations with, a celebrity can potentially be transferred to the endorsed product (Biswas et al. 2006), which explains why sports stars are used to promote breakfast cereal and muesli bars, and a children’s television presenter can be seen advertising a sugary breakfast cereal on Australian television. However, it is these types of celebrity endorsements that the focus group participants did not agree with. They thought that the celebrities who enjoyed a level of trust and idolization from young people should not have been advertising products that were not healthy choices and that they were in fact misleading young people into thinking that they were good options.

Data from the focus groups revealed that participants are able to recall commercial food advertisements more readily than social marketing advertisements, demonstrated a misunderstanding of what healthy food advertising is, and showed that 18 to 30 year olds felt excluded from the target market of social marketing campaigns. This information can assist in understanding why social marketing appears to be losing the battle in combating obesity and other associated health problems.

However, focus group participants also expressed the belief that there is simply not enough money in the public purse to fund campaigns that could compete against the commercial advertising from the big corporations. This view is quite reasonable with Government expenditure on disease prevention and health promotion accounting for only 1.7 percent of recurrent health expenditure in 2003–2004 (AIHW 2006). When comparing actual advertising expenditure in Australia on food products, it can be seen that the money spent on advertising for healthy foods and social marketing initiatives are dwarfed in comparison to the multinational companies. A Federally funded campaign to promote the consumption of fruit and vegetables had only $5 million (AUD) invested in advertising (Pyne 2005) and Dairy Australia invested $4 million (AUD) of their multi media campaign (www.dairyaustralia.com.au/index.php?option=comcontent&task=view&id=320&Itemid=245). This compared to the $50 million (AUD) and the $40 million (AUD) that McDonald’s Restaurants and Cadbury Schweppes Pty Ltd have spent on advertising respectively (B&T Weekly 2006) does support the focus groups beliefs that social marketing just cannot compete in regards to the sheer volume of advertising and indeed advertising that is memorable.
particularly in relation to young people, there was the substantial acknowledgment that there was no way social marketing could ever compete in the current media environment. This suggests that participants may potentially be open to other strategies such as the possibility of commercial enterprises co-funding social marketing campaigns or taxes on unhealthy foods. What is certain is that there is a drastic need for positive action to ensure that the current conviction that social marketing is either not competitive or not meaningful enough to individuals of all ages becomes the general societal view?

LIMITATIONS

The most significant limitation of this research is its restriction to the Illawarra region of NSW, Australia. However this is early exploratory research and restrictions needed to be put in place due to both logistic and budgetary concerns. It is recognized that there are also limitations in our potential to understand the range of opinions in the community as a result of using only age and gender demographics as a basis for segmentation in this study (and not education level, income, or religion, for example). This study is a component of a larger body of ongoing research and it is during the latter part of the research, which will utilize a survey methodology, that the inclusion of other demographic variables such as religion and cultural background and education level will be addressed. The final limitation is that the focus groups did not extract any data relating to purchasing patterns relating to their recall of advertisements, so it is not possible to make any inferences on the real power advertising can have on behavior.

CONCLUSION

Although the data collected from this research cannot link purchasing patterns with advertising recall, it can identify the gap that social marketing needs to fill in order to raise awareness of healthy foods and lifestyles and also disseminate the necessary health related information relating to obesity, cardiovascular disease and diabetes. Although social marketing indeed needs to try harder, it must be supported holistically by government policies and strategies to examine not only the physical component of the problem, but also the social, environmental and regulatory issues that all play a part. It is only then that Australia, and other nations that are in the same situation, can genuinely begin to tackle what is emerging as the primary health crisis of the 21st century.

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THE NEED TO STATE THE OBVIOUS: THE IMPORTANCE OF PHYSICIAN-PATIENT COMMUNICATION IN PROMOTING WEIGHT LOSS

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SUMMARY

Obesity has become a significant and critical social problem. Poor diet and physical inactivity, which leads to obesity, ranked as the number two leading cause of death in the United States in 2000 according to the Centers for Disease Control and Prevention. Although such alarming statistics, and the financial, health, and social costs associated with overweight and obesity, have been well-publicized in recent years, the percentage of Americans who simply weigh too much continues to increase. While many past studies show discouraging results for consistent weight loss, many people do seem to be responding to pleas from the healthcare community to attempt to practice better weight control management. There is limited knowledge of the specific characteristics of this subgroup of the population, relative to those who are overweight or obese and who are unwilling to attempt to lose weight.

Thus, objectives of this research are to (1) provide insight regarding the joint effects of weight status (based on BMI) and gender on the incidence of weight loss attempts by American adults and (2) examine the importance of the role played by the physician in overweight and obese individuals’ decisions to attempt weight loss. Using data collected from the Division of Health and Nutrition Examination Surveys, we examine the role played by physicians in encouraging overweight and obese individuals’ to attempt weight loss and whether the influence of the physician’s communication varies across different demographic segments.

Approximately, 3,957 respondents in normal, overweight, and obese categories are used to address the first objective of the research. Results for the second objective use data only from men and women who were classified as either overweight or obese (2,615 respondents). Logistic regression procedures were performed to examine the effects of gender, weight status, and their interaction on the binary dependent variable of attempted weight loss, in addition to assessing if physician-patient communication played a role in overweight individuals’ decision to attempt to lose weight.

Logistic regression results indicated significant direct effects of gender ($p < .01$) and weight status ($p < .01$), as well as the interaction between these two independent variables ($p < .05$). Only a quarter of the men who are overweight (26.1%) and less than half the total number of obese men (44.9%) stated that they tried to lose weight in the previous twelve months. While a greater percentage of women were more likely to have attempted to lose weight than men at all weight classifications, a similar pattern of results was found for women. Less than half the women who are overweight (40.1%) and slightly more than half the women who are obese (54.2%) reported that they tried to lose weight during the preceding year. Almost a quarter of the women with normal BMI’s (22.6%) reported that they tried to lose weight, a far lower percentage than for men (5.5%). The proportion of women with normal BMI’s who tried to lose weight is similar to the proportion of overweight men who tried to lose weight. These differences showing that women in the “normal” weight category are more likely to attempt to lose weight than men are consistent with gender differences concerning physical appearance and the desire to be thin, even for women classified as “normal” in weight.

Logistic regression results for the role of the physician on the attempt to lose weight show that individuals told by a physician that they were overweight have significantly higher adjusted odds (OR, .43; 95% CI; $p < .0001$) of having attempted weight loss than participants who did not receive communication from a physician regarding their weight status. While more than half (54.7%) the people told by a physician that they were overweight tried to lose weight, less than a third of the overweight and obese participants (31.3%) who were not told by a physician that they were overweight tried to lose weight, less than a third of the overweight and obese participants (31.3%) who were not told by a physician that they were overweight tried to lose weight ($\chi^2 = 139.7, p < .0001$). The results also indicate a significant
interaction between the physician and the respondent’s educational attainment on the decision to attempt to lose weight (Wald = 16.17, \( p < .0001 \)). For overweight and obese individuals with a high school education or more, those attempting to lose weight increased from 37.5 percent when there was no communication from the physician about being overweight to 58.2 percent when there was physician-initiated communication. For overweight and obese individuals with less than a high school education, the percentage attempting to lose weight increased from 22.3 percent when there was no communication to 54.4 percent when there was physician-initiated communication about weight status.

These findings suggest some interesting differences between gender and weight loss attempts, in addition to highlighting the critical role of the physician in overweight and obese individuals’ weight loss attempt decisions across educational levels. This pattern of findings should be of interest to physicians, obesity researchers, and public policy advocates.

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MARKETING FOOD SAFETY: WHY PRODUCERS HAVE LITTLE INCENTIVE TO DO SO

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SUMMARY

Public awareness and stated concern regarding food borne illnesses have increased rapidly over the past decade. This increased concern likely affects consumer behavior; consumers may seek shopping venues that are perceived safer, avoid certain food categories deemed risky, switch to a different brand of food in the same category, alter food storage and preparation techniques or increase expenditures on products that enhance food safety. Increased consumer concerns can also impact producer (and regulator) behavior. For example, food scientists and technologists have developed processes capable of reducing pathogen levels in foods. Firms providing improved safety by using some of these new processing methods should prosper if they can communicate this differentiation to the consumer. Therein lies a potential conundrum for food marketers; any mention of food borne illness, even when announcing an improvement, may stir up fear and unwittingly taint an entire food category or brand. Any attempts to communicate brand-level or product-level improvements may backfire and cause skepticism or doubt toward the firm or industry introducing the improvements. It is thus important to understand how consumer attitudes toward these food safety technologies are related to choices made in the food market, as understanding how and why consumers react to these treated foods may be critical to the industry adopting the technologies.

Methods

To answer the above, we administered a mail survey to a nationally representative sample of 8,500 U.S. adults. In total 3,511 individuals returned completed surveys for a response rate of 49 percent. The mail survey instrument had a section of questions aimed at understanding how the respondent’s shopping habits may change when foods treated to decrease pathogen levels become available. Here respondents were asked questions related to their current or latent buying of either hotdogs or raw hamburger and then presented a food-choice scenario. The food-choice scenario had four dimensions: pathogen type (Listeria or E. coli), food type (hotdogs or raw hamburger), the amount of pathogen information provided (with or without information about Listeria) and the processing treatment (electron beam or ethylene gas processing).

In the food-choice scenario, respondents were provided (objective) information showing the likelihood the food product (either hotdogs or hamburger) is currently contaminated by one of the two pathogens. To obtain the respondent’s subjective evaluation of the food’s safety, we then asked respondents to indicate, on a scale from 0 to 100 percent, how likely they thought it was they would get sick after eating the product. Respondents were then provided background information about one of two different treatments (electron beam or ethylene gas) that could be used by the food industry to reduce levels of food pathogens. Again, we provided (objective) information showing the likelihood of contamination for the treated food product and asked respondents for their subjective evaluation of the safety of the treated product.

The final scenario question asked respondents to assume they went to their usual food store to buy the product. In addition to a package they have bought in the past they find a package of the treated product. They were also told what the price of the treated food was relative to the price of their current product. Respondents were asked to choose either: the treated food; their usual (untreated) food or to stop buying the food altogether. We used discrete choice modeling to estimate respondents’ reactions to perceived changes in the food’s safety linked to the use of specific food-safety technologies.

Results

We find the use of ethylene gas as a treatment option (relative to the use of irradiation) causes individuals to reduce their consumption of treated foods and increases their likelihood to stop buying the food altogether. We also find that consumer reactions to food technologies are dependent upon the type of food; people are more likely to buy treated hamburger and less likely to reject hamburger relative to their reactions to treated hotdogs. This would indicate that consumers have a stronger preference for hamburger which affects their reaction to the food
technology. Consumer reactions to the technologies are unaffected by the pathogens being treated, nor are they impacted by additional pathogen information.

The perceived level of contamination of the untreated product increases the likelihood of purchasing the treated product but it also increases the likelihood the consumer stops purchasing the food product altogether. This effect supports the hypothesis that producers and food marketers may be reluctant to adopt, and communicate to consumers about, these technologies because they may actually lose net customers (as the information leads some consumers to reject the food altogether). The likelihood of purchasing the treated food increases and the likelihood of rejecting the food decreases as the consumer perceives the treatment to be more effective.

Conclusions

That our results indicate that introducing a new food-safety technology may cause some consumers to choose foods processed with new technologies while also driving others consumers to stop buying the food altogether should be a concern of the food industry (and of food-safety regulators). Even when producers can provide consumers both treated and untreated product, the very act of providing and marketing treated foods may actually lead to aggregate losses in sales. This may explain firms’ reluctance to adopt these technologies.

Here marketing, which typically improves the flow of information to consumers and provides an incentive for producers to innovate and improve their products, may actually hamper the development of a safer food supply. Previous research has indicated that the positive aspects of marketing can occur even when only a subset of consumers and producers respond to the information, as many firms respond with imitation effects. What is striking is that here we find an opposite effect; you only need a small minority of consumers to limit food safety improvements. Unless these consumers’ concerns toward these technologies can be allayed, the general population may face higher food-safety risks. To reduce these risks public education or government intervention may be needed to help jump-start technology adoption.

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AN OPEN MIND WANTS MORE: OPINION STRENGTH AND THE DESIRE FOR GENETICALLY MODIFIED FOOD LABELING POLICY

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SUMMARY

There are two opposing viewpoints regarding consumers’ acceptance of genetically modified (GM) foods and their desire for the labeling of these foods. Industry leaders believe consumers accept these foods because the public shows a willingness to consume them, some national surveys indicate low levels of consumer concern and few individuals desire GM labeling. In contrast, most scientific literature indicates people are concerned about GM technologies, are willing to pay to avoid GM foods and would like to see GM foods labeled.

A problem with many studies is they often refer to the GM technology in imprecise terms so it is hard to interpret the attitudes being reported. Further, consumers appear to be capable of making finer distinctions than surveys have called for, and appear to have complex evaluation schemes that are quite sensitive to information about the potential benefits and risks associated with GM foods. Because consumers are heterogeneous in how they weigh these costs and benefits, recent authors have focused on segmenting consumers by how they evaluate GM foods; however, none examine whether respondents’ views on GM labeling policy differ across segments; here we extend this literature by examining this very point.

Methods

Using survey data and a mixture of statistical approaches we identify distinct consumer segments that are heterogeneous in how they weigh the potential risks and benefits of GM foods. We use these segments to examine differences in views regarding GM food labeling policy.

Results

We identify three distinct consumer segments:

- Cost avoiders: are not interested in potential benefits; they are very worried about their own risks associated with GMO food.
- Benefit seekers: rate their own and producer benefits higher than costs and are not worried about the potential health risks associated with GM food. It seems these consumers believe the technology can bring benefits at a low personal cost.
- Balanced but interested: find both benefits and costs important; unlike the other segments, these consumers are not committed to any of the above points of view.

We find significant differences across segments in their concern about food production. Benefit seekers express less overall concern and are the least worried about food technologies. When asked whether they would like to see labels on foods, most consumers answered positively, although a significantly larger percentage of Benefit seekers said no. Among respondents who are in favor of labeling, we find there is a significant difference across segments in terms of their preferences for mandatory vs. voluntary labeling; Balanced but interested are more in favor for mandatory labeling, while Benefit seekers are the least in favor. Interestingly, Cost avoiders also show an inclination for voluntary labeling. When we investigate this issue more deeply, we find that segments do indeed exhibit subtle differences in their choice of labeling and testing programs. Balanced but interested want mandatory testing and labeling of all foods, Cost avoiders want mandatory testing but are willing to have looser labeling policy, while Benefit seekers are in favor of voluntary testing and labeling policy. It is interesting that despite pronounced concerns, Cost avoiders are comparatively more inclined toward the option that only foods containing GM ingredients display a label. This may be because they are already more familiar with GM labels and more educated.

When examining respondents preferences regarding the importance of various pieces of information that could be displayed on a GM label, we find that Benefit seekers assign least importance to all of these, with the exception of information about any benefits associated with modifi-
cation where they do not significantly differ from Cost avoiders. Balanced but interested consistently ascribe higher importance to each piece of information relative to Cost avoiders. Altogether we can conclude that out of the three segments Balanced but interested is the strictest regarding labeling. These consumers require mandatory labeling of all foods and would like the most amount of information. That information is significantly more important for them can be explained by the fact that these consumers have not made up their mind regarding GM foods, unlike the other two consumer segments that hold strong views. Balanced but interested are strongly worried about risks, but they also find possible benefits very important.

**Conclusion**

We find these consumer segments are quite different and nuanced in terms of their preferences for GM testing and labeling policy. Having formed no definite preference, Balanced but interested respondents require mandatory labeling of the most stringent type, while Cost avoiders are more relaxed in their requirements. In contrast, Benefit seekers have a slight preference for a voluntary testing policy where only foods not containing GM content would display a label. In terms of preferences for what types of information would be important to place on a GM label, the Balanced but interested consumer places a great interest in having both benefit and risk information. Surprisingly, Benefit seekers have the weakest desire for GM labels to display information about the benefits associated with the genetic modification while Cost avoiders have a similar non-interest in risk information. These consumers already hold strong opinions about GM foods which appear to dampen their need for additional information. The Balanced but interested consumer, being relatively more open-minded, has a heightened interest in both types of information.

The analysis supports the contention that attitudes toward new technologies are nuanced, and that earlier studies may have used measures too vague or general to be useful for interpretation. In addition, we find these nuanced attitudes may translate into differences in the desired form of information policy. This information can help policy makers, consumer scientists, and marketing professionals develop better information policies and programs.

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SPECIAL SESSION

FTC RESEARCH ON THE IMPACT OF FOOD AND DRUG ADVERTISING ON CONSUMERS

Session Organizer:
Pauline M. Ippolito, Federal Trade Commission, Washington, DC

Chair and Discussant:
Joel B. Cohen, University of Florida, Gainesville

Presenters:
R. Dennis Murphy, Federal Trade Commission, Washington, DC
Debra Holt, Federal Trade Commission, Washington, DC
Brendan M. Cunningham, United States Naval Academy, Annapolis

SUMMARY

The Federal Trade Commission (FTC) is the primary consumer protection agency in the United States. The role of the agency is to limit unfair and deceptive practices, including deceptive or misleading advertising claims. This goal must be achieved within the legal strictures imposed by growing First Amendment protection of commercial speech and in recognition of the important role advertising plays in markets. The tension implicit in crafting sound advertising policy – that discourages deception but protects truth – has led to a number of research projects at the agency, especially in the food and drug advertising arenas.

This session brings together three empirical papers that reflect current challenges. Can the health benefits of a food be conveyed in advertising even when the food has significant negative features? What is the evidence on the amount and type of food advertising seen by children on television and has it changed markedly during the years when child obesity rates have grown? What is the role of direct-to-consumer advertising on the demand for drugs and does it differ from advertising for over-the-counter drugs?

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CONSUMER PERCEPTIONS OF HEART-HEALTH CLAIMS FOR
COOKING OILS AND VEGETABLE OIL SPREADS

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Pauline M. Ippolito, Federal Trade Commission, Washington, DC
Janis K. Pappalardo, Federal Trade Commission, Washington, DC

SUMMARY

This working paper presents the findings of copy test research on consumer perceptions of heart-health claims in print advertisements for a fictitious cooking oil low in saturated fat, and a vegetable oil spread containing no trans fatty acids. FDA regulations currently ban potentially useful heart-health claims in labeling for many of these products, and this restriction also appears to have discouraged similar claims in advertising. One deception-based motivation for the ban would be that the heart-health claims might mislead consumers to believe that the products are healthy in all respects, when in fact they are high in total fat and calories, and their regular use could cause weight gain and associated heart problems unless the products are substituted for less healthy alternatives.

Our research tested this deception hypothesis and found no support for it. Adding an explicit heart-health claim to a nutrient content claim (such as “low in saturated fat” or “no trans fats”) did not change consumer perceptions of the caloric content of the tested products or otherwise distort perceptions of the products’ overall healthiness. These conclusions notwithstanding, our results also suggest that respondents as a whole, including those who did not see a nutrient content claim or a heart-health claim, underestimated the caloric content of cooking oils. Further, respondents did not appear to understand the significant impact that relatively small daily increases in caloric intake can have on long-term weight gain. Our findings emphasize the need for increased consumer education concerning the caloric content of cooking oils, and the implications of even modest changes in caloric intake, from whatever source, on weight gain and heart health.

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CHILDREN’S EXPOSURE TO TELEVISION ADVERTISING IN 1977 AND 2004 – INFORMATION FOR THE OBESITY DEBATE

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SUMMARY

Obesity has become a major health concern in the U.S. and other countries. Overweight and obesity have increased markedly since the early 1980s. The rise in children’s obesity is a particular concern, because overweight children are more likely to become overweight adults and because obese children are likely to suffer from associated medical problems such as diabetes earlier in life.

Food marketing is among the postulated contributors to the rise in obesity rates. Food marketing to children has come under particular scrutiny because children may be more susceptible to marketing and because early eating habits may persist. Some researchers report that children’s exposure to television advertising has been increasing along with the rise in children’s obesity. In this study we assess the change in children’s exposure to television advertising between 1977, when childhood obesity was rare, and 2004.

We investigate children’s recent exposure to television advertising using a comprehensive database of advertising aired during four weeks of the 2003–2004 programming season. The data includes an estimate of the number of children, teenagers, and adults who watched each ad aired. We estimate that, on average, children 2–11 viewed about 25,600 television ads annually. Less than a quarter of those were food ads. The largest categories of food ads viewed were Restaurants and Fast Food, Cereal, Desserts and Sweets, and Snacks. Children’s nonfood advertising exposure was concentrated in Promotions for television programs, Games, Toys and Hobbies, and Screen/Audio Entertainment.

We also examine the sources of children’s recent advertising exposure along several dimensions – network type, programming type, audience composition, time of day, and day of the week. These findings have interesting implications for research and policy.

We assess children’s 1977 exposure to television advertising from studies submitted by John Abel and J. Howard Beales to the Federal Trade Commission’s 1978 Children’s Advertising Rulemaking. These two studies employed data and methods comparable to those we use to examine children’s 2004 exposure to advertising. Since these research reports were done before children’s obesity became a serious health problem, they provide a baseline to measure changes in children’s advertising exposure on TV. We find that children’s exposure to television advertising has increased somewhat while exposure to paid ads has decreased since 1977. We do not find that children’s exposure to food advertising has increased during this period.

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Almost a decade has passed since clarification of FDA regulations has, effectively, allowed firms to directly advertise prescription pharmaceuticals to consumers. Over these years, pharmaceutical expenditures on direct-to-consumer (DTC) advertising have exhibited an average real increase of 17 percent per year. DTC advertising is rapidly becoming one of the most prominent components of the pharmaceutical advertising portfolio. The upswing in DTC advertising has been controversial. Popular criticism typically focuses on the lack of detailed information in advertisements and the impact of DTC advertisements on the interaction between patients and physicians.

There is a small but growing body of evidence surrounding the impact of DTC advertising on the demand for drugs. The existing evidence from Calfee, Winston, and Stempski (2002) and Iizuka and Gin (2005, 2006) suggests that advertising may serve to inform consumers about the availability of new treatments and encourage them to adhere to prescribed treatment regimens. This literature typically estimates the impact of DTC advertising expenditures on new prescriptions and/or doctor visits by patients. This paper contributes to the existing literature by using a unique Nielsen dataset measuring the actual exposure of consumers to television advertisements. The ad exposure data covers both prescription and non-prescription treatments for illnesses. Consumer exposure to advertisements is a consequence of two decisions: the overall viewing decision of consumers and advertising placement of pharmaceutical firms. The first of these decisions provides additional variance which can be used to expand the set of instruments used in empirical analysis.

Preliminary results suggest that, within each treatment category, ads have a positive and significant own- and cross-brand relationship with demand. Estimates indicate that advertising exerts a larger impact on demand for non-prescription treatments. This result is particularly strong within the class of pain relief medication. Within classes of prescription drugs, the cross-brand impact of ads (i.e., the market-expanding effect) dominates the own-brand effect for treatments directed at the central nervous system, gastrointestinal tract, and metabolic system. In contrast, I find that within the skin treatment and pain relief classes, ads only have a significant and positive impact on own-brand demand for prescriptions. Finally, I find evidence that ads for non-prescription GI treatments serve to re-allocate demand among brands. Only the cross-brand positive impact of ads is statistically significant in an instrumental variables framework. These results suggest that there may be positive information spillovers from advertising so that the ads from one pharmaceutical firm increase drug demand for firms with closely related pharmaceutical offerings. In such an environment the overall level of advertising may be inefficiently low.

ENDNOTE

1 The views presented in this session reflect those of the authors and not those of the Federal Trade Commission.

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SPECIAL SESSION

DO CONSUMERS’ INTERNET PRIVACY CONCERNS IMPACT THEIR BEHAVIORS?

Chair:
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Eugenia Steingold, The Direct Marketing Association, New York

Discussant:
Mary Culnan, Bentley College, Waltham

OVERVIEW

With the Internet emerging as a hybrid media/channel (among other things), Richards (1997, p. 319) notes: “Never before has a medium been the catalyst of such a wide range of criticisms regarding privacy invasion.”

Conversely, Milne and Rohm (2000, p. 4) point out that:

To participate in today’s marketplace, consumers must be willing to give up some of their privacy. Every day, consumers use credit cards and frequent shopper cards, fill out surveys, and register products.

Clearly, many consumers willingly surrender personal information, a finding supported with panel data by Reibstein (2002), who reports that information privacy is relatively unimportant to consumers. So, then, what is the impact of consumers’ information privacy concerns (CIPC) on Internet commerce? The objective of this session is to stimulate discussion on the effect of CIPC on consumers’ e-commerce behaviors, if any.

Background

The current literature on CIPC could be summarized by four broad areas: (1) What is “known,” (2) Agreement on the existence of intervening variables (mediators and moderators), (3) What is uncertain, and (4) The lack of a unified, accepted theory that explains the relationship between CIPC and their online behaviors. A brief summary of each is provided.

What is “Known”

There is little, if any, disagreement that consumers voice concern about their information privacy online, and that, when asked, indicate that these concerns likely effect their willingness to participate in e-commerce. Further, empirical work by Smith, Milberg, and Burke (1996, henceforth SMB) and Malhotra, Kim, and Agarwal (2004, henceforth MKA) clearly identify that CIPC is a multidimensional concept.

Mediators and Moderators

There is little doubt that the impact of CIPC is moderated by individual, situational, and external factors. Previously discussed individual factors include gender, internet experience, and age. Situational effects for both the type of information (sensitivity), and prior relationships with the firm asking for the information (relationships) are well documented. Finally, external factors such as the effects of independent privacy policies, employment of privacy verification firms (seals), media coverage, and personal experience with privacy violations have all been shown to impact CIPC.
Special Session: What is the Impact of Consumers’ Internet Privacy Concerns?

In addition to these moderating effects, trust and risk are viewed as key mediators of the impact of CIPC on behavioral intentions (MKA).

What is Uncertain

Although both SMB and MKA identify and validate varied dimensions of CIPC, to-date there is no consensus definition of CIPC, nor a nomological network of the antecedents and consequences of CIPC.

Aside from these higher-order issues, findings regarding specific aspects of CIPC seem uncertain. A short review of some of those conflicting findings follows.

Internet Use. One might assume that those with higher levels of experience with, and use of, the Internet would have lesser concerns over privacy issues. Indeed, in their study of perceived risk Miyazaki and Fernandez (2001, p. 38) find that higher levels of experience using the Internet “are related to lower levels of perceived risk toward online shopping, which in turn results in higher online purchasing rates.” Similarly, Bellman et al. (2004) state rather unequivocally that higher levels of experience decrease concerns over privacy. However, a good deal of research supports the opposite view. Miyazaki and Fernandez (2001) also report that more Internet experience led to greater levels of privacy concern. Phelps et al. (2000) and Lieberman and Stashevsky (2002) conclude that fear of identity theft rises as Web usage increases, with Milne et al. (2004) reporting that greater experience leads to the use of more protection strategies.

Gender. Given the early demographics of Internet users (who tended to be male), it is not surprising that woman were thought to limit their on-line activities for a myriad of reasons, not the least of which was concern over privacy. Garbarino and Strahilevitz (2004) support definitive effects of gender on Internet privacy concerns, with women perceiving greater risks. Conversely, Milne, Rohm, and Bahl (2004), using a national sample, find that males engage in more active protection strategies online than women, perhaps indicating a greater level of concern. Given that the genders are now equally represented online, with only older women trailing their male counterparts in Internet use (Fallows 2005), this issue bears further investigation.

No Theory Explaining CIPC

One potential weakness with MKA’s (and other’s) work is that assumes a high level of consumer involvement with privacy issues. Evidence indicates that in many situations consumers freely trade private information for little, if any, benefit (Reibstein 2002; Berendt, Günther, and Spiekermann 2005) and yet, there is no compelling theory that describes this behavior. In fact, Rogers and Peppers (2004, p. 17), state:

Privacy protection is of great concern to the elites, the press, the Europeans. But, most middle class Americans are just not willing to spend any resources to protect their own privacy.

Session Objectives

Given this confusion and uncertainty over when, where, and how CIPC effects e-commerce, further discussion is certainly warranted. This session aims for an interactive exploration of these issues. By presenting three alternative views of the effects of CIPC, the participants hope to broaden the scope of the consumer on-line privacy debate.
THE UNCERTAIN STATE OF CONSUMER INFORMATION
PRIVACY CONCERNS: THE PROBLEM WITH
CONVENTIONAL WISDOM

Eric J. Karson, Villanova University, Villanova

SUMMARY

A brief review of the privacy literature that reveals numerous contradictions regarding CIPC and their effect on Internet behaviors is presented, followed by results from a study, where three years of student data demonstrate that, when broken into their primary dimensions (adopted from SMB), CIPCs do not have a consistent direct effect on consumers’ e-commerce activities and intentions. Not only were the demonstrable effects of privacy concerns on e-commerce missing, but support for differential concerns between men and women and those with higher and lower levels of Internet use were lacking.
HOW DO CONSUMERS INTERACT WITH PRIVACY POLICIES ON THE WEB?

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Jo Rutter, Touro University International, New York

SUMMARY

Do consumers care about privacy policies on Web sites? The evidence is mixed. For instance, Reibstein (2002) found that privacy policies ranked next to last on a list of attributes provoking concern. While most agree that the readability of privacy policies is poor and declining (Milne and Culnan 2004; Milne, Culnan, and Greene 2006) and that few consumers read the privacy policy (Culnan and Milne 2001), we know very little what is it that makes some consumers click on the link to review a privacy policy.

What is to blame for consumer’s lack of interest in privacy policies? In this paper, we present interim findings from a web-based study developed to understand the decision to click on the privacy policy link. We propose that Motivation (Motivation to Process Privacy Information), Opportunity (Opportunity to Process Privacy Information) and Ability (Ability to Process Privacy Information) form the cornerstones of the decision to click on the Privacy Policy. Preliminary results indicate that Motivation and Ability might matter more than Opportunity in this decision.
SUMMARY

From an industry perspective, the debates regarding consumer privacy concerns, whether on-line or off-line, seem to have been blown out of all proportion to the evidence provided in the marketplace itself.

In this presentation, we start with the assumption that a market is the coming together of buyers and sellers for their mutual economic benefit. Marketing for us is a series of interactive communications, initiated by either buyer or seller, under the constraint of incomplete information, designed to locate potential exchange partners (what economists call “search”) and then facilitate, through mutual information disclosure, an assessment, by both parties, of the risk-reward trade-offs involved so that transacting may be consummated. In this framework, more information, not less, is market-enhancing, for all concerned.

Further, today the Internet is a large, powerful and increasingly influential channel for market creation. Businesses and consumers are engaging each other over the Internet in astonishing numbers. With this growth the Internet ceases to exist, if it ever did, in isolation from how business and customers communicate with each other through other channels.

Thus, from an industry viewpoint, the academic and journalistic debate about online privacy concerns seems either out of date, or highly disconnected from both the theory of market-enhancement through greater mutual disclosure (i.e., minimizing what economists call issues of asymmetric information, or privacy in its widest and most neutral sense), as well as the experience of marketers themselves: consumers seem to buying on-line in record numbers, and fears about “on-line privacy” or indeed, privacy in general, seem to play almost no role in explaining consumers willingness to respond to offers made to them by “at distance” marketers, whether on-line or off.

In our presentation, we will offer some evidence from our own proprietary research from the Direct Marketing Association into the factors, if any, that may inhibit consumers from responding to offers made to them in the “at distance” or “virtual” market. This research was conducted to help marketers improve the return on their marketing investment. We find that while there are still noticeably fewer consumers who respond to offers made in the virtual market than in the non-virtual [local] market, this gap is closing fast. The reasons consumers cite to explain why they do not respond as frequently to marketing offers they receive in the “at distance” marketplace almost never appear to include a fear their personal information will be misused. Instead, they are far more likely to cite reasons such as timing, relevance, or price. We find this to be true, largely regardless of channel.

The implications for public regulation of privacy in the remote marketplace seem clear. Consumers appear to understand, and seem quite comfortable with, the amount of disclosure between buyers and sellers necessary to a modern market economy. From both the viewpoint of economic theory and research into consumer response to marketers’ offers, there appears little reason to supplement existing privacy protections. References available upon request.

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PRIVATE PROFITS AND PUBLIC HEALTH: DOES ADVERTISING OF SMOKING CESSATION PRODUCTS ENCOURAGE SMOKERS TO QUIT?

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Dean Lillard, Cornell University, Ithaca
Alan Mathios, Cornell University, Ithaca

SUMMARY

An on-going public health initiative, Healthy People 2010, aims to cut the prevalence of smoking among U.S. adults almost in half, to 12 percent by 2010 (USDHSS 2000). Although preventing youth from starting to smoke has probably attracted more attention, experts point out that the Healthy People 2010 objective cannot be met unless the rate of smoking cessation increases (Mendez and Warner 2000, 2004). Although many smokers quit “cold turkey” without assistance, smokers are more likely to successfully quit if they use a pharmaceutical smoking cessation product such as a nicotine replacement therapy (Fiore et al. 2000). In recent years, industry has spent between $100 to $200 million annually advertising these cessation products. To shed new light on the role private profit incentives play in promoting public health, we conduct an empirical study of the impact of pharmaceutical industry advertising on quit decisions.

Methods

Identifying the causal impact of advertising is a difficult empirical challenge. The relationship between advertising and consumption is literally a textbook example of simultaneous equations (Berndt 1991): Are consumers responding to the advertising, or are advertisers responding to the consuming? Our approach is to exploit rich data that provide what we argue is a strong identification strategy to distinguish between these two possibilities. We link survey data on individual smokers with an archive of magazine advertisements. The rich survey data allow us to measure the smokers’ exposure to smoking cessation advertisements based on their magazine-reading habits. Because we observe the same information about the consumers that the advertisers observe, we can control for the potential endogeneity of advertising due to firms’ targeting decisions.

Our individual-level data comes from a marketing survey, the Simmons National Consumer Survey (NCS). The NCS provides detailed information on consumer behavior and magazine-reading and television-viewing habits (NCS 2005). We created a series of measures of smoking cessation behavior using responses to several questions posed to all NCS respondents. We use responses to the question, “Did you attempt to quit smoking in the past 12 months?” to code our measure of a quit attempt. We combine the response to the question about quit attempts with answers to the question, “Do you currently smoke?” to identify respondents who “successfully” quit. The NCS also asked all respondents who attempted to quit smoking about the methods they used in the attempt. We combine these responses with our measures of attempted and successful quits to create additional measures of smoking cessation: a quit attempt with the use of a smoking cessation product; a quit attempt without the use of a smoking cessation product; a successful quit with the use of a smoking cessation product; and a successful quit without a smoking cessation product. We draw our advertising data from the Smoking Cessation Advertisements (SCADS) archive that we compiled. The SCADS archive is a collection of all print advertisements for smoking cessation products, tobacco products, and smoking-related public service announcements that appeared between January 1985 and May 2002 in 26 consumer magazines. We selected the magazines to represent magazines most frequently read by individuals with particular demographic characteristics. In the NCS, each respondent reports on their magazine readership behavior and since we know how many ads have appeared in the SCADS magazines we can compute the number of advertisements they were exposed to.

Results

We find that when smokers are exposed to more advertising, they are more likely to attempt to quit and are more likely to have successfully quit. While some of the increased quitting behavior involves purchases of smoking cessation products, our results indicate that advertisements for smoking cessation products also increase the
probability of quitting without the use of any products. Our results are robust with respect to a number of specifications and anti-tests. For example, if we compute our advertising exposure measure by combining readership behavior with advertisements that appear in these magazines the following year (when we know the advertising could not have influenced behavior because they were not yet exposed to this advertising) we find that contemporaneous advertising is still significant but future advertising exposure has no impact on behavior. These results support the conclusion that the advertising exposure is driving the quit behavior.

Conclusions

Our findings that pharmaceutical smoking cessation product advertising generates a significant number of quits without using cessation products suggest that the public health returns to smoking cessation product advertisements exceed the private returns to the manufacturers. Because advertising of a wide range of consumer products may have important and under-studied spillover effects on various non-market behaviors, our results have broad implications for the economics of advertising. References available upon request.

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EXPOSURE TO SMOKING CESSATION PRODUCT ADVERTISING: WHO SEES WHAT AND WHERE?

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SUMMARY

Clinical trials demonstrate that pharmaceutical products for smoking cessation “reliably increase long-term abstinence rates” (USDHSS 2000). The pharmaceutical industry sells approximately $1 billion of its smoking cessation products on the retail market each year (Marketdata Enterprises 2000; Market Research.com 2005). In recent years the industry has spent between $100 million and $200 million annually advertising smoking cessation products (TNS Media Intelligence).

A growing body of research suggests that direct-to-consumer advertising increases consumer demand for pharmaceutical products including anti-ulcer drugs and cholesterol-lowering drugs (Berndt et al. 1995; Ling et al. 2002; Wosinska 2005). Tauras et al. (2005) and Avery et al. (2006a) estimate that advertising for smoking cessation products is similarly effective. Further, Avery et al. (2006a) estimate that when adult smokers are exposed to more magazine advertisements for smoking cessation products, they are more likely to attempt to quit, to successfully quit, and to do so regardless of whether or not they use a smoking cessation product.

We document trends in potential exposure to anti-smoking public service announcements (PSAs) on television, smoking cessation product advertising on television and in magazines, and show how it varies across different socio-economic groups.

Methods

We link data on individuals’ television-viewing and magazine-reading habits with data on television and magazine product advertisements PSAs. The individual-level data come from the Simmons National Consumer Survey (NCS). The NCS is a repeated cross-sectional survey, where the sample for each wave is an independently drawn multi-stage stratified probability sample. We use data from 17 surveys administered from 1997–2004.

We draw two samples for analysis – a television sample and a magazine sample. The television sample consists of NCS respondents who we can match to one of the 75 AC Nielsen designated marketing areas (DMA). After dropping observations with incomplete data the television sample includes 140,496 adults age 18 and older. Our magazine sample consists of 256,869 NCS respondents for whom we have complete information on magazine reading habits.

Our television advertising data come from TNS Media Intelligence. These data consist of advertisements for cessation products and PSAs that aired nationally and in one of the top 75 DMAs. We use all product advertisements and PSAs that aired on regularly recurring television programs (except news and sporting events). Our magazine advertising data come from the Smoking Cessation Advertisements archive, a collection of all advertisements for smoking cessation products that appeared in 26 of the most widely-read U.S. magazines. With the merged data we create two measures of potential exposure to television and magazine messages – average monthly exposure and exposure per episode watched or exposure per magazine issue read.

We describe trends and we use multiple regression analysis. Our covariates in the regression analysis are age, gender, race/ethnicity, schooling, and the quintile in the household income distribution in which each respondent’s household income fell.

Results

In general from 1997 to 2004 adults saw more cessation product advertising on television than they did magazine advertising of products or television PSAs. Potential exposure levels peaked between 1997 and 1999. Our results are comparable to estimates from market-level data from Nielsen Media Research for 1999 – 2003 (Wakefield et al. 2005). These trends reflect changes federal policies. In 1997 the Food and Drug Administra-
tion relaxed television disclosure requirements that shifted direct-to-consumer pharmaceutical advertising from magazines to television (Rosenthal et al. 2002).

Pharmaceutical companies reached disadvantaged groups with cessation product advertising: average monthly exposure to television advertising was higher for Blacks, the less well-educated, and those in lower income quintiles. However, many of these patterns reverse when potential exposure is measured per episode watched. The likely explanation is that disadvantaged groups watch more television. Exposure to magazine advertisements for smoking cessation products tends to increase with socioeconomic status, although Blacks are exposed to more magazine advertisements. Our findings are consistent with other studies that find that food advertisements on television effectively provide information about the importance of dietary fat and fiber to disadvantaged groups (Ippolito and Mathios 1990, 1995).

**Conclusions**

The public health implications of cessation product advertisements and PSAs depend upon how effective they are in encouraging smokers to quit. Previous research suggests that exposure to advertisements increases smoking cessation in the general population (Avery et al. 2006b). There is less evidence about whether exposure to PSAs alters behavior. Several recent studies suggest that exposure to PSAs sponsored by the American Legacy Foundation discourages youth smoking (Farrelly et al. 2002, 2004). Additional research is needed to determine whether and how exposure affects smoking cessation of adults in general, and disadvantaged smokers in particular. Because groups that traditionally suffer health disparities watch more television, television advertising may be a valuable tool to reduce health disparities linked to smoking. References available upon request.
THREE EVALUATIONS OF PICTORIAL WARNING LABELS ON CIGARETTE PACKAGES

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SUMMARY

The World Health Organization has stated that smoking is the second major cause of premature death and the fourth highest risk factor for disease worldwide. Many governments introduced measures to reduce the proportion smokers and to deter others from becoming smokers. For example, they have implemented on-pack warning labels to inform smokers of the risks posed by tobacco consumption and have strengthened the content and prominence of these warnings. However, despite these measures, young people have continued to become addicted smokers, and the proportion of smokers has remained static over recent years.

To stimulate a decline in smoking, the Canadian government introduced pictorial on-pack warning labels on all cigarette and tobacco packaging in 2000. Since then, other nations have followed Canada’s lead and introduced pictorial warning labels, and the World Health Organization has encouraged all nations ratifying the Framework Convention on Tobacco Control (FCTC) to mandate pictorial warning labels.

However, the tobacco industry has challenged the inclusion of visual images on warning labels, claiming the new format interferes with their intellectual property and brand imagery, and causes smokers unnecessary distress. Furthermore, the tobacco industry has asserted that behavior change observed after the introduction of new warnings may be attributable to the refreshed and novel text that accompanies the new pictures. If this is the case, the same ends could be achieved by introducing new text warnings unaccompanied by visual images.

This paper reports three separate studies that tested these arguments by comparing pictorial warning labels with existing and new text-only warnings, and the strongest of the existing text warnings (smoking kills). Drawing on a range of methodologies, the studies compared the effect of visual warnings and text-only warnings on smokers’ cognitive and behavioral reactions.

The first study employed five images of disfigurement, death and disability and compared these to a control, “smoking kills.” Structured face-to-face interviews were conducted with 300 young people (split evenly between smokers and non-smokers). Participants were asked about their smoking behavior and brand repertoire, and examined two of five prototype packs to examine, which they were primed to imagine were their preferred brand. Respondents used seven-point semantic differential scales to evaluate each pack across a range of paired antonyms. We employed the Juster Scale, an eleven-point probability scale, to estimate the likelihood that the warning label respondents saw would encourage them to call the Quitline, reduce the number of cigarettes they smoke, or quit smoking altogether.

Exploratory factor analysis of the semantic-differential scales revealed three factors – credibility, impact and fearfulness – that explained two-thirds of the variance. These factors were used to compute indices that were used in MANOVA analyses to compare the five label versions. The results indicate that images evoking strong affective reactions were the most effective while those requiring more cognitive processing were not consistently more effective than the control warning.

These findings informed the second study, which used two graphic medical images, and compared these with new text-only warnings and the “smoking kills” control. The first image showed a brain dissected to reveal a stroke, accompanied by the phrase “Smoking is Brain Dead.” The second image featured a heart damaged by a blocked artery, appearing with the phrase “Smoking is a Heart Breaker.” Both messages were tested independently of the images; the strongest of the current warnings, “Smoking Kills,” was again employed as a control.

The questionnaire employed very similar questions to Study 1, although the semantic differential items were expanded and the 310 smokers who participated viewed only one warning label. The analysis undertaken for Study 1 was repeated for Study 2; the two pictorial
warning labels were significantly more credible than all three text-only versions, and were perceived as more effective than two of the text-only warnings. However, the visual images did not evoke high levels of fear; this may be due to the general sample or the fact that respondents saw only one stimulus. The behavioral questions revealed a similar pattern of findings. Respondents allocated higher probability scores to the pictorial warning labels, which they considered more likely to encourage a range of cessation related behaviors. Overall, Study 2 found smokers perceived the visual labels as more credible and effective, and the pictorial warnings evoked higher levels of estimated behavioral change.

The final study used a different methodology, Best-Worst Scaling, to replicate and extend Study 2. A sample of 122 smokers viewed 10 show cards, each containing three images from a total array of six warnings (3 text-only and 3 PWLs). In addition, respondents used the Juster Scale to estimate the likelihood that each warning would prompt them to make a quit attempt. The results confirm that pictorial warning labels are seen as more effective and there was a strong correlation between the Best-Worst estimates and the Juster Scale estimates. In addition, this study found that existing text only warnings could be markedly improved by the addition of a visual element.

Overall, the three studies support initiatives that would mandate the use of pictorial warning messages and suggest that refreshing the text used in warning labels, the alternative promoted by the tobacco industry, will be considerably less effective than introducing visual warnings. References available upon request.

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COLLEGE STUDENTS’ PERCEPTIONS OF LIGHT CIGARETTE

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SUMMARY

In August 2006, a federal court judge ruled that tobacco companies can no longer refer to cigarettes as light or ultra light. If the ruling stands, it is one of the harshest blows ever against the tobacco industry because it not only bans the sale of light cigarettes, but also requires tobacco companies to run corrective advertising (Teinowitz 2006). Light cigarettes were first introduced in the 1950’s and 1960s as a response to public awareness of the health risks (e.g., lung cancer) of smoking. Based on the Federal Trade Commission Method of machine-yield measurements, light cigarettes deliver less than 15 mg tar, which is theoretically much less than the tar levels delivered by regular, full-flavor cigarettes. In a study by Cummings and Giovino (2004), 58.5 percent of adult smokers and 52.8 percent of adolescent smokers reported using light cigarettes.

In general, light cigarettes may have two misconceptions: (1) the perception that they are less damaging than regular cigarettes and (2) a way to reduce cigarette consumption or as a step toward quitting (Kozlowski, Goldberg, Yost, White, Sweeney, and Pillitteri 1998). However, research has failed to show a significant reduction in smoking-related health risks, such as cardiovascular disease or lung cancer, or an increase in the rates of smoking cessation associated with light cigarette use compared with regular cigarette use (e.g., Thun and Burns 2001). If smokers perceive incorrectly that “reduced yield” cigarettes offer health benefits over regular cigarettes, it could lead them to defer cessation. One reason for misconceptions as to the safety of light cigarettes may be due to the fact that many smokers “compensate” when they smoke lights by (1) smoking more cigarettes, (2) taking deeper or more frequent puffs on the cigarette, or (3) covering the ventilation holes in the cigarettes using their fingers or lips (Etter, Kozlowski, and Perneger 2003).

Several studies have examined adult perceptions of the health risks of lights (e.g., Kozlowski et al. 1998; Etter et al. 2003; Gilpin, Emery, White, and Pierce 2002; Borland, Hua-Hie, King, Cummings, Fong, Elton-Marshall, Hammond, and McNeill 2004) and one study has examined the perceptions of adolescents (Kroop and Halpern-Felsher 2004). However, no study has examined the perceptions of college students about lights even though it is an important population comprising approximately 17.3 million Americans. In addition, Wechsler, Rigotti, Gledhill-Hoyt, and Lee (1998) found that 11 percent of college smokers had their first cigarette and 28 percent began to smoke regularly after the age of 19, by which time most were already in college.

Several studies found that social, or occasional, smoking is common among college students. Moran, Wechsler, and Rigotti (2004) found that social smoking is associated with a lower frequency of tobacco use, less nicotine dependence, less intention to quit, and fewer recent attempts to quit. Social smokers comprise a significant proportion of the college students who smoke and often do not think of themselves as smokers (Smith, Zank, and Stutts 2006).

Based on the research on light cigarettes, college student smoking, and differences among smoking categories, the following two hypotheses are set forth.

H1: College students perceive that light cigarettes are less harmful than regular cigarettes.

H2: Perceptions about light cigarettes will differ between nonsmokers, former smokers, social smokers, and regular smokers.

A convenience sample of 172 college students at a large state university located in the southwest United States (57% males and 43% females; 49.7% between the ages of 18 and 22, 36% between the ages of 23 and 25, 10% between the ages of 26 and 28, and 5% older than 28; 95% upperclassmen; 45% business majors) participated in the survey. The sample was comprised of 54 percent non-smokers, 28 percent social smokers, 12 percent regular smokers, and 6 percent former smokers. The proportion of smokers (regular and social) in the sample exceeds the 24 percent of college students and 30 percent of non-college student adults classified as smokers by the Centers of Disease Control in 2005. Seventy-five percent of smokers in the sample (regular and social) smoke light cigarettes.
Twelve scale items, using a seven-point scale with one being strongly disagree, to seven being strongly agree, were developed to assess perceptions of light cigarettes compared to regular cigarettes in terms of health measures: safer, less harmful, healthier, safer with secondary smoke, healthier with secondary smoke, and reduce risk of lung cancer, and other measures: milder, less harsh, easier on throat, less irritating, lighter taste, less tar, and less nicotine. Self-report measures were used to classify smoking behavior into four categories: nonsmokers, social smokers, regular smokers, or former smokers. Compensation measures were also obtained (smoke more/inhale deeper after switching to lights), as well as whether smokers ever tried to determine how much tar/nicotine they got in their brand of cigarettes and whether they knew that light cigarettes were just as harmful as regular cigarettes. Students who switch back to regular cigarettes, stay with light cigarettes, or quit smoking.

Hypothesis 1, which states that college students perceive that light cigarettes are less harmful than regular cigarettes, was refuted. A single mean t-test showed that there were significant differences for all six safety- and health-related scale items but not in the direction hypothesized. Means were significantly below the scale median, indicating that respondents disagreed that lights are safer, less harmful, safer with secondary smoke, healthier with secondary smoke, and reduces the risk of lung cancer. However, participants generally agreed with the items that were not health-related (milder, less harsh, easier on the throat, less irritating, lighter taste, less tar and less nicotine). This reinforces that college students do not perceive light cigarettes to necessarily be healthier or less harmful than regular cigarettes. In addition, college students who switched from regular to light cigarettes were aware of compensation; 32 percent of those that switched from regular to light cigarettes stated that they inhaled more deeply and smoked more cigarettes than before switching. It is possible that people smoke lights for many reasons other than health given when asked if they knew that light cigarettes were just as harmful as regular cigarettes only 9 percent indicated that they would switch back to regular cigarettes and only 10 percent indicated that they would quit smoking given this situation. This suggests that students are not necessarily using light cigarettes as a step toward quitting.

Hypothesis 2, which states that perceptions of light cigarettes will differ between nonsmokers, former smokers, social smokers, and regular smokers, was partially supported. A one-way ANOVA was used to test mean differences between types of smokers (nonsmoker, social smoker, regular smoker, and former smoker) in answering the thirteen scale items about light cigarettes as compared to regular cigarettes. LSD was used as a post-hoc test to determine which between group differences were significant. Significant differences were not found between nonsmokers and the other groups for any of the health-related items, although there were several differences for the non-health-related items.

This research has several implications for public policy and research. First, college students are well aware that light cigarettes are no safer than regular cigarettes. Second, they are aware of the compensation factor in smoking lights. Knowledge of these risks does not persuade them to quit. Therefore, other factors are driving them to smoke lights, rather than simply as a safer alternative or as a step toward quitting. Thus, it is important to continue to research the reasons college students start to smoke and, in addition, to determine the best message to persuade them to stop smoking. References available upon request.

ENDNOTE

The authors would like to thank the McCoy College of Business Administration Research Grant Committee for partially funding this research.

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OVERVIEW

The marketing of food to consumers is increasingly in the national spotlight as rates of obesity rise higher in the United States. Over 60 million adults and more than 9 million U.S. children are obese and just as many are at risk of becoming obese (National Center for Health Statistics 2005). The consequential health risks include asthma, hypertension, type 2 diabetes, cardiovascular disease, and depression (Cawley 2006). Obesity has become a matter of national concern.

The Institute of Medicine (IOM) of the National Academies has published a report in 2006 with a review of academic journal publications on the diet and health effects of food marketing (McGinnis, Gootman, and Kraak 2006). The IOM report identifies limitations of the current literature. Specifically, it questions the near exclusive focus on television related advertising. Given this gap in the literature, they call for research on other marketing variables. Researchers in marketing have answered the call, studying variables like product features and place on youth and adult consumption.

The objective of this session is to encourage more (and more diverse) studies on marketing and youth obesity by presenting research streams unrelated to television advertising. Bloom’s research on nutritional information questions the prospects of changing people’s food choices through developing more accessible and vivid labels and signage. Davis’s results confirm an important relationship between the location of fast-food restaurants around middle and high schools and the ensuing measures of youth overweight and obesity. Wansink’s presentation shows how product packaging impacts consumption and provides guidance on proactive packaging changes and on profitable partnerships that can be developed between industry and public health. All of these presentations offer the latest knowledge and new perspectives to an audience of marketing academics, public policy decision makers and food marketing practitioners. The session makes an important contribution to marketing and public policy by answering the call for research on variables beyond television advertising in obesity and by inviting others to contribute to this stream.

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WHY IMPROVED NUTRITIONAL INFORMATION MAY NOT HELP COMBAT OBESITY

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SUMMARY

Many parties have proposed introducing new and better nutritional labels as a potential solution to the obesity crises. For example, Kraft, Pepsi, and McDonald’s are promoting new label formats. On first consideration, creating more accessible and easier-to-digest labels should help to lead consumers to better food choices. But it is not that simple. Depending on (1) consumers’ attitudes and ambivalence toward less healthy foods, (2) the way consumers process information from newer, more vivid labels, and (3) the types of messages consumers are exposed to along with the labels, the newer labels could lead consumers in different directions. Non-ambivalent consumers might not be influenced very much at all or they could be influenced to “economize” on their search for information and just rely on vivid labels and not the more informative nutrition facts labels. This could lead them to less healthy choices. Ambivalent consumers might be more eager for information to resolve their ambivalence and would see the more vivid labels as additional valuable information to supplement the nutrition facts and therefore respond to them with healthier choices. Furthermore, these effects could be modified by what else consumers are hearing about the risks of the foods or about remedy foods that are available to reduce their risks. We have completed four studies on these issues, and we are in the midst of doing additional relevant studies.

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FAST-FOOD PLACEMENT AROUND SCHOOLS AND YOUTH OBESITY

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SUMMARY

Previous research has shown that fast-food establishments are systematically clustered around schools (Austin et al. 2005). We examine whether fast-food proximity is related to youth obesity using geocoded data on over 500,000 middle and high school students in California from 2002–2005. We use standard multivariate regression models to estimate the reduced-form association between fast-food proximity and youth overweight and obesity. Our results uncover strong evidence that students exposed to nearby fast food around their schools: (1) consume fewer servings of fruits and vegetables; (2) consume more servings of soda; and (3) are more likely to be overweight and obese relative to similarly situated youths whose schools are not proximal to fast food. Youths attending schools near fast food, for example, are estimated to have 1.08 times the odds of being overweight compared to similarly situated youths whose schools are not near fast food. The main obesity result is unique to fast food (as compared to nearby gas stations or motels) and is not observed for other risky outcomes (such as smoking or drinking). Our study highlights the importance of place in the marketing of fast food toward children. In so doing, our results can potentially help parents, school officials, public-policy makers and marketing practitioners understand the implications of fast-food proximity to middle and high schools. Ultimately, this scholarly work presents crucial information to help reverse the current adverse trends in youth obesity.

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At least once during the last century nearly every country in the world has had to fight food shortages or starvation. Examples include America in the Depression, and almost every European and Asian country during World War II. Today the food table has turned. Food is voluminous as is our national body mass. Critics now blame low-cost, easily available food for making us obese (Nestle 2002). Food companies have been accused of contributing to the growing problem of obesity in the U.S. (Brownell and Horgen 2004), and they are facing fears of taxation, regulation, legislation, and boycotts.

The food industry’s response to these allegations includes developing opportunities where both industry and consumers will benefit. This involves developing profitable win-win solutions (where both industry and the public health benefit) to help consumers better control what they want to eat. Clearly no company would want to modify a product in a way that discourages consumers from purchasing it. However, it may be in a company’s best interest to help consumers better control how much they consume in a single setting. Not only would this help consumers better control their single occasion consumption, but it could also curb criticism that implies that the food industry is not accountable for the types of tactics that are perceived by many to contribute to the obesity epidemic.

For the food industry, accountability is critical. Consumers can be impressionable when it comes to how much they will eat. Sometimes people rely on consumption norms to help them determine how much they should consume. Such norms suggest a consumption quantity that may be relatively automatic and may often occur outside of conscious awareness (Schwarz 1996, 1998). The food industry may benefit from understanding how consumption norms relate to packaging and subsequent consumption. Responsible food packaging and products that could result as a consequence of this understanding would benefit consumers’ health in providing low involvement consumption norms that suggest how much to eat.

After outlining a framework involving consumption norms, three brief studies show that a reliance on consumption norms is correlated with Body Mass Index (BMI), and that unit size and serving size labels can help influence these norms. We then provide guidance on proactive packaging changes and on profitable partnerships that can be developed between industry and public health.

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SPECIAL SESSION

CURRENT ISSUES AND CHALLENGES IN COMMUNICATING PRESCRIPTION DRUG RISK INFORMATION

Moderator:
Kathryn J. Aikin, U.S. Food and Drug Administration, Silver Spring

Panel Members:
Amie C. Braman, U.S. Food and Drug Administration, Silver Spring
Dena Cox, Indiana University, Indianapolis
Kathleen M. Mazor, University of Massachusetts Medical School, Worcester
John L. Swasy, American University, Washington, DC
Clifford Thumma, Pfizer, Inc., New York

Discussant:
Anthony Cox, Indiana University, Indianapolis

SUMMARY

The purpose of this panel is to examine the challenges and issues affecting communication of prescription drug information, both to consumers and healthcare professionals. This session will feature presentations by Braman, D. Cox, Mazor, and Thumma. A discussion led by A. Cox will follow the presentations.

The Food, Drug and Cosmetic Act requires sponsors of prescription drugs who present information about their product’s effectiveness to also provide a true statement of information about the advertised product’s risks (e.g., side effects, contraindications, warnings) “in brief summary.” In print advertising this information is often presented as a page adjacent to the main display page. The brief summary is one medium sponsors may utilize to communicate the known risks of their product(s) to both consumers and healthcare professionals. For emerging and post-marketing safety issues that warrant immediate dissemination, Dear Doctor/Healthcare Provider letters may be issued to inform prescribers of new information. However, questions remain about the effectiveness of the content and format of these communication methods. The results of original research on this topic will be presented.
SUMMARY

There is a consensus that the use of a medical-language, small print summary taken from professional product labeling is not an ideal or adequate method to communicate information to consumers in direct-to-consumer (DTC) prescription drug print advertisements. FDA is conducting a series of studies to improve the content and format of the brief summary in DTC ads. This presentation will present the findings from the first study in this series, a study of how consumers use the brief summary in its current form. Topics investigated include consumers' processing objectives, time spent reading the display and brief summary pages of a drug advertisement, and ratings of individual sections in the brief summary.
COMMUNICATING SAFETY INFORMATION TO PHYSICIANS

Kathleen M. Mazor, University of Massachusetts Medical School, Worcester

SUMMARY

When new safety concerns about a prescription drug are identified, the FDA may request that Dear Doctor Letters be issued to inform prescribers of new information. Recent research suggests that these letters may not be an effective means of communicating safety-related information. This presentation will present the findings from a recent study investigating whether content, organization, and formatting of these letters influenced physician ratings of the criticalness of the information and likelihood of changing practice as a result of the letter. Overall, results show many Dear Doctor Letters do not effectively communicate labeling changes or important safety information. Strengths and weakness of letter design and content will be discussed.
CONSUMER ENGAGEMENT WITH HEALTHCARE INFORMATION

Clifford Thumma, Pfizer, Inc., New York

SUMMARY

Patients and potential patients have a strong interest in accessible health information. Research has shown that consumers utilize multiple information sources in managing their healthcare, a trend consistent with the increasing number of health information sources available to them. However, there is relatively little research on the relative strengths and weaknesses of the various healthcare information sources themselves. This presentation will present the findings from research into consumers’ engagement with and perceptions of multiple information sources and the implications for pharmaceutical industry communications. It will also discuss research examining the potential to improve specific consumer-directed communications, such as the consumer brief summary, print ads and websites.
CONSUMER INTERPRETATION OF RISK LANGUAGE IN PRESCRIPTION DRUG ADVERTISEMENTS

Dena Cox, Indiana University, Indianapolis
Anthony Cox, Indiana University, Indianapolis

SUMMARY

Risk information described in the consumer brief summary typically contains language describing two dimensions of risk: severity of potential adverse events (e.g., “mild” or “severe”) and the likelihood of occurrence (e.g., “rare” or “common”). The assumption is that consumers can appropriately interpret and weight the risk information, enabling them to make informed health care choices. Normative “expectancy value” decision models suggest consumers will be able to (a) translate these adjectives into appropriate probability estimates, (b) translate severity into subjective disutility, and the subsequently form global product evaluations by weighting the disutility of the outcome by the subjective probability. This presentation will present research on how consumers interpret statements regarding the severity and likelihood of side effects. Results suggest consumers often interpret this risk information in ways dramatically different than would be predicted by normative decision models, having important implications for both advertising practice and public policy.

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IF I CAN CHOOSE VEGETABLES THEN I’LL HAVE DESSERT: THE MERE PRESENCE OF HEALTHY FOOD ITEMS ON HEALTHY VERSUS UNHEALTHY CHOICE

Beth Antonuk, Baruch College/CUNY, New York
Keith Wilcox, Baruch College/CUNY, New York
Lauren G. Block, Baruch College/CUNY, New York
Gavan J. Fitzsimons, Duke University, Durham

SUMMARY

The dramatic rise in obesity rates across the United States has been attributed, in part, to the proliferation of convenient and unhealthy options offered by food retailers (Brownell and Horgen 2003). To address such concerns, many restaurants traditionally known for their tasty, if unhealthy, options have expanded their product offerings to include healthier choices. For instance, McDonald’s has increased its number of salad and fruit options. While a subset of consumers is opting for these more nutritious alternatives, McDonald’s attributes its record revenue growth to increased sales of far less healthy items, such as burgers and fries (Pressler 2005; Warner 2006). Building upon prior research that demonstrates the effects of contextual factors on the priming of goals, such as those related to health and nutrition, the current research seeks to explore the manner in which the mere presence of such healthy alternatives on a menu of less healthy options affects consumer decision-making.

Individuals often face self-control dilemmas, whereby temptations interfere with the pursuit of long term goals (see Fishbach and Shah 2006 for a recent review). Research shows that for conflicting goals that are frequently and consistently activated, such as those associated with eating behavior, automatic associations form between temptations and overriding goals in order to facilitate self-control processes. Across several self-regulatory domains, Fishbach, Friedman, and Kruglanski (2003) demonstrate the tendency for temptations (e.g., chocolate cake) to activate overriding goals (e.g., minimizing caloric intake) while the activation of goals works to inhibit similar temptations. Interestingly, this research suggests that the relative salience of a conflicting goal (i.e., an overriding goal or a temptation) is related to the mere presence of goal-facilitating or goal-hindering stimuli (Fishbach, Friedman, and Kruglanski 2003; Shah and Kruglanski 2003). While encountering an unhealthy food item is likely to activate a healthy eating goal, the presence of a healthy one might inhibit a desire to indulge.

In addition to instances where either goal or temptation-related stimuli are encountered, consumers are also likely to face situations where both are present. For instance, when viewing a restaurant menu individuals are often faced with a dilemma – to eat in line with a healthy eating goal or to indulge in a tastier, but less healthy item. Recent research by Fishbach and Zhang that explores differences in consumer perceptions of options depicted together in a unified choice set (e.g., a menu listing healthy and unhealthy items together) versus those listed in separate categories (e.g., a menu where healthy and unhealthy items are grouped by nutritional value) finds that items presented together tend to be perceived as complements, rather than competing options. In turn, individuals are more likely to adopt a balancing strategy with regard to self-regulation and assign greater value to temptation-related options relative to goal-consistent options. On the other hand, individuals are likely to adopt a highlighting strategy by assigning a higher value to goal-consistent options when items are seen as competing.

Since tempting alternatives only hinder goal performance in the presence of an overriding goal (Fishbach and Shah 2006), we predict that the impact of adding a healthy item to a menu of relatively unhealthy options will vary based on individual’s self-control as it relates to eating behavior. Since individuals who are high in self-control are more likely to experience goal conflict when encountering healthy and unhealthy items in separation due to their overriding goal to eat healthy, we predict that they are more likely to view options as complementing when a healthy option is added to a choice set, relative to individuals who are low in self control. Along these lines, the mere presence of a healthy menu item is likely to provide them with the license to indulge in an unhealthy option.

To investigate this proposition, an experimental study was conducted. Based on a pretest in which participants were asked to rate different food items in terms of their nutritional value, we constructed two choice sets: one containing three items ranging from very unhealthy to very healthy.
neutral in terms of nutritional value (i.e., french fries, chicken nuggets, and a baked potato) and another which contained these three items in addition to an item perceived to be very healthy (i.e., a salad). One hundred and four participants were provided with either the 3-item menu or the 4-item menu, which included the very healthy option, and were asked to indicate the item that they would be most likely to choose. Participants subsequently provided responses to a series of items assessing level of self-control, perceived importance of eating healthy, and preference for a variety of food items.

Differences in participants’ choice share of the least healthy option across menu conditions were analyzed using logistic regression. The key dependent variable was choice of menu option, coded as 1 if a participant selected the least healthy option (i.e., french fries) and 0 otherwise. This variable was regressed on the choice set condition (3-item vs. 4-item menu), individual differences in self-control (high vs. low), and their interaction. Individual’s tendency to eat healthy and preference for the unhealthy option were included as covariates. In line with extant behavioral decision research practices, our analyses excluded individuals who selected the healthiest option (i.e., a salad) from the 4-item choice set since this option was not available in both conditions. There was no main effect of choice set or level of self-control. The interaction of choice set and self-control indicated that, as opposed to declining, the likelihood of choosing the least healthy item increased for individuals high in self control when the healthy item was included in the choice set. Neither the effect of individuals’ tendency to eat healthy nor preference for the unhealthy option significantly impacted the results.

Study findings demonstrate that, rather than acting in accordance with a higher order eating goal, high self control individuals were more likely to select the unhealthy option when a healthy item was offered (i.e., the 4-item choice set), relative to the instance where this item was not made available (i.e., the 3-item choice set). This suggests that the mere presence of a healthy menu item on a menu of less healthy alternatives may differentially impact consumers’ health-related decision making. Additional research that investigates the proposed process of goal activation based on the presence of both goal-facilitating and goal-hindering stimuli is underway. References available upon request.

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CONSUMER PROTECTION REGULATIONS AND THE VULNERABILITY OF SMALL ENTREPRENEURIAL BUSINESS BANK CUSTOMERS: A QUALITATIVE INVESTIGATION

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SUMMARY

The nexus of public policy and customer relationship management in the financing of small entrepreneurial business owners raises key implications for consumer protection legislation and enforcement. Although fair lending policies (e.g., Equal Credit Opportunity Act) have remained generally constant, there is evidence that regulators’ interpretation of what constitutes consumer discrimination has grown more complex and expansive in part, because of lender’s implementation of profit driven customer relationship management (CRM). Previous econometric lending research demonstrates preferential lending practices that create credit access restrictions among ethnic-minority small firms (Cavalluzzo and Wolken 2005; Mitchell and Pearce 2005), however this research has overlooked the role of governance (or the lack thereof) in the form of state and federal bank regulations and the philosophies surrounding the practice of CRM on these lending practices. A paramount initiative for federal, state, and local economic development stakeholders is to advance small business growth. From a policy perspective, however, it appears such growth initiatives coupled with bank practices espousing CRM philosophies are figuratively “putting the cart ahead of the horse” as it pertains to the current status of consumer protection policy and enforcement of bank lending practices. This research seeks to rectify this oversight through a direct investigation of the intersection of lending policy regulation, small-business/entrepreneur financing, and loan officer perceptions and decision making to gain a richer understanding of “weak links” and dissonances between the perceptions of bank officers and bank regulators. Interviews were conducted with sixteen bank officer respondents and five state/federal bank regulators. Included in our sample were bank officers from community, regional, and super-regional banks located in the western U.S. and a wide spectrum of specialties was represented (e.g., consumer/personal, residential mortgage, commercial). Regulator interviewing followed a semi-structured depth-interview format. The average duration of the bank officer interviews and regulator interviews was 45 minutes.

Findings

The general vulnerability to prejudicial discrimination of small business financing customers is revealed across the dyad of regulators and bank officers. The vulnerability of small business customers to be exposed to possible discrimination is a product of the merit-based philosophies of bank lending practices, the relaxed enforcement of small banks (vs. large banks), and an erroneous assumption of fair lending policies. Emerging and undergirding all of the narratives is the foundational schema (i.e., embodied deep metaphor) of balance (Shore 1996). Evidence for this foundational schema of balance is evident in the illustrations of imbalances that occur in the loan evaluation and decision process. Informants referred to these imbalances as everything from taking “one step out of policy” to “getting on the wild side” and “skinny dippin’ where you are not supposed to.”

First, meritocracy exists in the preferential treatment and access to financing products given to existing bank customers over new bank customers. Narrative evidence suggests that loan officers give preferential treatment to existing customers with an established relationship with the bank (i.e., relational lending versus transactional lending). Relational lending must be balanced according to its impact on the protection of customers and market eco-
omic fallout. Second, our data reveal that bank policy and regulators impose or enforce balance on bank lending practices. This enforced balance acts as a proverbial angel for loan officers and a “checks and balances” for banks to exercise caution in their decision making and loan judgments. Where policy and regulation forces impose balance on bank lending practices, an imbalance in the enforcement of consumer protection regulations appears to exist across banks depending on their size and influence. Informants described that smaller banks face less regulatory pressure (e.g., community banks), and subsequently get away with doing “good ‘ole boy” loans, whereas larger banks because of their larger loan portfolios are more scrutinized by regulators because of the economic threat of large bank failure.

Finally, in an emergent finding, regulator narratives exposed a void in bank consumer protection, such that consumer compliance regulations are not enforced for bank products offered to small business customers. Lost in this wide spectrum of small business size and revenue potential are new venture and growing entrepreneurial businesses. Regulatory enforcement and policy oversight of bank lending practices rest on the erroneous assumption that retail bank consumers and business banking customers are completely discrete and disparate consumers of bank products. Hence, the general consensus among regulator informants is that consumer compliance regulations are principally enacted and enforced to protect retail customers who because of limited resources, understandings, and opportunities could not protect themselves from discrimination. While similar in loan approval requirements, key shortcomings in the underling assumptions, extends an unreserved protecting hand only to retail consumers leaving small entrepreneur customers to fend for themselves amidst the prevailing elements of discrimination and misfortune. We strongly affirm and argue that this flawed assumption may lead to exacerbated vulnerability among small entrepreneur business customers whose resources and financial knowledge base closely mirror retail customers and are far different from their large, well-resourced firm counterparts within the commercial sector of the market. This erroneous and yet undergirding assumption limits public policy in this area which in turn may restrict market access to commercial financing for small–business/entrepreneur customers – especially in situations when those consumers come from vulnerable populations. References available upon request.

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IMPACT OF ROI AND PERCEIVED RISK ON ALLOCATION PATTERNS

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SUMMARY

Investments in Socially Responsible Mutual Funds (SRMF) have grown from a fledgling $639 billion in 1995 to $2.29 trillion today (Social Investment Forum 2005). The performance of SRMF, particularly compared to “regular” mutual funds, has been explored in the finance literature (Edwards and Samant 2003; Goldreyer and Diltz 1999; Statman 1999) and the findings have been generally ambivalent, i.e., the SMRF sometimes, but not always, yield lower returns that “regular” mutual funds. However, our purpose is to determine the point of indifference exhibited by investors in SMRF and to see if there are other factors that moderate their expectations.

Impact of ROI or Willingness to Pay

The concept of indifference is well known to any student of economics. In the standard formulation, a consumer is posited to have differential utilities for different goods. Further, she/he is expected to be indifferent between consumption and ownership of different quantities of these goods as long as the total utility is maintained. In other words, let us take two different mutual funds. One invests in socially responsible businesses but provides a lower rate of return than another which invests in any business and provides a higher return to the investor. Suppose the investor has the joint goal of maximizing the return on investment and also advancing a social agenda. How much does this investor value the social agenda? This can be best measured by determining the minimum return that that investor is ready to accept in order to include his/her social agenda. Most researchers in the consumer behavior and behavioral economics streams use the term willingness to pay (WTP) to essentially capture this indifference.

We adopted a scenario method to determine an investor’s how different rates of return would influence an investor’s allocation pattern. Our subjects were shown the profile of four funds that varied on two dimensions, i.e., social responsibility (responsible or not) and investment goals (growth or income). The SR dimension was manipulated by telling them the typical types of businesses in which the fund was invested, and the goal dimension was manipulated by stating the goal. Subjects could also follow a link that would give them additional information on the past performance of these funds. The dependent variable was measured as the amount they decided to allocate to a fund. We also measured their confidence in their allocation decision and asked them to estimate the fund’s performance in the future.

Perceived Risk: Investment Amount and Agency

Cox (1967) was a pioneer who recognized that risk is not merely related to the product or choice situation but interacts with how a consumer perceives and appraises it. The first stage in one’s perception of risk is theorized to be risk framing (Conchar et al. 2004). This is the stage when an investor is postulated to consider the importance of risk and specify its dimensions (Fischhoff, Watson, and Hope 1990). The amount of perceived risk would depend on whether the investor focuses on the potential gains or losses (Kahneman and Tversky 1979; Venkataraman 1989). The amount of information processing generally will increase as the focus shift to avoiding or minimizing losses as opposed to incurring or maximizing gains (Conchar et al. 2004). Investors will focus more on losses when the amount to be invested is large (say, $100,000) and more on gains when the amount to be invested is small (say, $1,000). Thus, the perceived risk will be higher (lower) when the amount of money to be invested is larger (smaller) and so we expect investors to allocate less (more) toward SR funds when the amount is larger (smaller).

Often investment decisions are delegated to a relative, family friend, a loved one, or a professional advisor; in all cases these people act as agents of the principal. Agency theory posits that the advice offered the principal will be so as to simultaneously maximize the principal’s and the agent’s utilities. This orientation has been shown to result in managers of corporations under-investing in R&D (Graber 2003) or in ventures deemed to be risky (Makadok 2003). Financial agents have been shown to respond to their assessment of the perceived risk and recommend
investments with lower volatility in their performance (Raghu, Sen, and Rao 2003). Thus perceived risk will be higher (lower) when the investor is acting on behalf of another (self) and so we expect allocation to be less (more) toward SR funds.

**Experimental Design**

Our experiment will be posted on the web. Respondents will be provided information – their SR orientation, typical investments, and past performance – on four mutual funds, two of which are SR funds and two are more traditional funds. The independent variables are the amount of money available for investment (large vs. small) and the role played by the investor (agent vs. self). After they have had the opportunity to gather information relevant to their investment decision, they will be asked to invest an amount (large or small) of money in one of two (agent or self) roles. We will be monitoring the amount of information, type of information, and the time they spent on their search. Immediately following their allocation decision, they will be asked to forecast each fund’s future performance and rate their confidence in their allocation decision and their forecast. Lastly, they will answer questions pertaining to their values, religiosity, investment experience and socio-demographics. We expect subjects to take about 15–20 minutes to go through the entire experiment.

**Analyses and Conclusion**

We anticipate using MANOVA as the primary analytical method. We will be able to estimate a range for the indifference exhibited by consumers. Our findings will help us understand the role of ROI and perceived risk in determining investor’s allocation patterns. We will also see the type of information they search for and the amount of time they devote to that search.

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TOWARDS A FRAMEWORK FOR EVALUATING CONSUMER DETRIMENT

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SUMMARY

The concept of consumer detriment (CD) has been identified by U.K. policymakers and related organizations as a potentially useful measure in helping to quantify the loss to consumers from making inappropriate choices and as a result of unfair actions by firms (see OFT 2000; OFT 2006). The lead role in championing the use of CD measures in deciding policy priorities and evaluating policy interactions has been taken by the Office of Fair Trading (OFT). In its detailed report analyzing empirical indicators for market investigations (OFT 2004) the OFT used CD as a basis for discussing losses accruing to consumers as a result of factors such as search costs, product characteristics uncertainty, complex products, infrequently purchased products and products dominated by credence attributes. It is clear, therefore, that the OFT views CD as pertinent to a wide range of consumer policy related debates. In addition, the Department of Trade and Industry (DTI) has also used CD to illuminate discussions of poor customer service (DTI 2003) and the Financial Services Authority (FSA) frequently refers to CD when discussing mis-selling episodes and firms’ failure to treat customers fairly (see for instance FSA 2002, 2003, 2006). Consumer advocacy bodies are also increasingly referring to CD when discussing policy interventions and their impact on consumers (see for instance National Consumer Council 2002; National Audit Office 2004). Although discussion of CD is largely absent from the academic literature, many related concepts can be identified. These include, but are not limited to: (i) economic perspectives, such as welfare loss from imperfect information, (ii) psychological perspectives, such as Prospect theory its effect on consumer choice and (iii) marketing perspectives, such as broad measures of consumer well-being and service quality and satisfaction issues. Our objectives are to place the concept of CD in the context of related academic debates and to evaluate the degree to which CD represents a useful model for policymakers as they seek to establish policy priorities and suitable interventions.

Defining and Conceptualizing Consumer Detriment

Initial published discussions of CD were dominated by an interpretation and analysis of CD based on economic theory, with information asymmetries and the loss of consumer surplus being at the forefront of debates about, and calculations of, the degree of CD which exists (see OFT 1997; OFT 2000). Although the traditional view of CD centres on price, it recognizes a number of non-price forms of detriment, including access, quality, appropriateness, reduced choice and less innovation, which have negative consequences for consumers, but less attention has been devoted to regulation and redress for these types of detriment. Recent research by policy bodies has sought to update this classical economic view of CD and draws attention to the widely recognized scholarship that demonstrates that consumers often fail to make classically rational choices for a variety of reasons including, but not limited to, framing effects/loss aversion, reference dependence, affect-based responses, restricted information processing abilities, variable degrees of certainty of outcomes and differing motivations (see Lurie 2004). Despite continued emphasis on the consumer purchase decision in conceptualizations of CD, there is acceptance that CD can arise at any stage of the consumption process – acquisition, possession, consumption, relationship/maintenance, and disposal. Furthermore, it is acknowledged that CD is not restricted to material loss or physical harm, but that there are psychological aspects such as the task-related and consumption emotions (Luce et al. 2001; Richins 1997) of confusion, anger, frustration and worry that can negatively affect consumer well being. Henceforth we refer to these two types of CD as Economic CD (Ec CD) and Psychological CD (Psy CD).

If the conceptualization of CD is to extend to a more encompassing range of contexts, causes and consequences there is a need for a shift from rational decision models and the economic vocabulary of utility and loss to a more comprehensive framework that can account for a wide array of influences in consumption environments (e.g.,
regulation, product complexity, sale promotions, competition, complaint handling), various consumption goals (e.g., functional, hedonic, social, symbolic) and resources (time, energy, money, social) as well as the emotional and practical outcomes of consumption-related activity. We propose the “Consumption Process Model of Consumer Detriment,” which accommodates the evolving concerns of regulators and policymakers about the nature and impact of CD and the need to be able to identify key drivers. As a “consumption process model,” the framework follows the scholarship of Lee et al. (2002) that analysis’ consumer welfare in relation to the complete consumption process consisting of acquisition, possession, consumption, relationship/maintenance, and disposal/termination. This will enable policymakers to isolate stages in the consumption cycle when CD is more likely to occur. For instance, for some more complex personal financial services, it may well be the case that Ec CD and Psy CD are particularly high in the acquisition phase as consumers struggle to obtain relevant and understandable information and to make informed choices. Alternatively, for goods such as electronic equipment Psy CD may be particularly high in the consumption phase as consumers struggle to follow instructions and endure anger and frustration as a result. When applied to particular market contexts, the model can also be used to highlight the main sources of detriment in that market. The foregoing argument addresses criticisms of traditional economic analyses of CD and the need to account for Psy CD proposing that adaptations of appraisal theory will afford a more comprehensive framework for analyzing external conditions that can influence consumer welfare at each stages of the consumption cycle and personal characteristics and states that augment consumer vulnerability to these conditions (see Baker et al. 2005; Aditya 2001; Langenderfer and Shimp 2001). Although non-material losses are recognized as an important aspect of consumer welfare, it has been conceded that they are more difficult to quantify, provide a less objective basis to argue for regulatory intervention and are less tractable than economic losses suffered by consumers. Therefore, the distinction between Ec CD and Psy CD is crucial to enable thinking on how this broader conceptualization of CD can be acted upon.

The model takes the form of a matrix with two columns headed Ec CD and Psy CD and five rows representing the stages of the consumption cycle, namely acquisition, possession, consumption, relationship and maintenance and disposal and termination. It can be combined with other analytical tools to assess the extensiveness and seriousness of the impact of CD in particular contexts on the general population or particular consumer segments. Given the insights into the primary sources of detriment in a number of contexts, we suggest that the model will prove useful in highlighting policy priorities and in providing an insight into potentially effective policy interventions.

ENDNOTE

1 Illustration and references available upon request from the corresponding author.
SUMMARY

This paper describes an online “Quit for a Week” program for inducing smoking cessation among college students. There are two major justifications for this approach. The first is that the literature suggests that prior attempts to quit smoking increase the likelihood and success of future quitting attempts. Second, this program may serve as a versatile paradigm for research on tobacco cessation.

Both the number and success of attempts to quit smoking are related to previous quit attempts (Norman, Conner, and Bell 1999; Ockene et al. 2000). However, while there have been efforts to induce quit attempts on a large scale (e.g., Glasgow 1985 and the “Great American Smokeout”) the effects of these induced quits have not been systematically tested. The “Quit for a Week” program described here both motivates quitting and measures the effects of the induced quit. A “Quit for a Week” goal could be very successful, as it is challenging, yet specific. These qualities in a self-control objective lead to higher success rates than general goals (Bandura and Schunk 1981; Gollwitzer 1999; Locke and Latham 1990).

Procedure

The entire “Quit for a Week” protocol was conducted online, as part of the research requirement for an introductory Marketing course. Students participated in two sessions, separated in time by at least a week.

Subjects

Three hundred eighty nine students participated in both sessions of the study. Of these, 64 students reported being social smokers, 57 reported being regular smokers and 268 reported not smoking at all.

The “Quit for a Week” Offer

A web page told students:

“Try It: Quit for One Week”

Here’s a special deal for smokers only: win $100! If you told us that you smoked at least one cigarette in the past two weeks, this deal is for you: Please try to quit for a week. We’re not pressuring you, but we have an incentive. If you try to quit for a week, we’ll enter you in a raffle to win $100. Somebody in the class will win.

Participants were then asked whether they would try to quit for a week, and could either agree, decline, or state that they did not smoke. It is important to note that if subjects said that they would try to quit for a week (not necessarily succeed), they would be entered in the lottery.

Results

Agreement to Participate. About 85 percent of smokers in the study agreed to participate in the “Quit for A Week” effort. A marginally greater percentage of social smokers (92%) than regular smokers (80%) agreed to this offer (Fisher’s one-tailed exact test, p < .11). It is more interesting that an overwhelming majority of both groups of smokers participated.

Participation After Agreement. Subjects in all conditions had moderate success at quitting. Only 5 out of 72 (7%) did not quit as long as one day. A third (33%) quit for between one and four days. The majority (60%) were able to quit for at least five days. Social smokers had longer quit durations than regular smokers did ($\chi^2 (2) = 9.535, p < .01$).

Changes in Intentions to Quit. The measure of intention to quit was taken from previous work on stages of readiness to quit (DiClemente, Prochaska, Fairhurst, Velicer, Velasquez, and Rossi 1991).

The strongest predictor of intention to quit in the second session was intention to quit in the first session. Intention to quit in the first session also is associated with agreeing to quit for a week. The duration of the quit attempt predicts intention to quit in the second session. These durations were longer for social smokers than for regular smokers.

Discussion

Few previous studies have attempted to induce subjects in a non-clinical setting to quit smoking and subsequently examine the effect of that quit on the intention to quit.
smoking permanently. This study found that the “Quit for a Week” strategy can be used to induce a high proportion of smokers in different segments to try and quit. At least four-fifths of subjects in social smoker and regular smoker segments tried to quit after the first experimental session. Most of the reported quits were at least five days long, which is not a trivial length of time.

Because smoking has such high monetary and nonmonetary costs, one of the ways to assess whether an anti-smoking measure is effective is to compute the cost per quit (Ong and Glantz 2005). While the data in this study cannot be used to assess the cost per permanent cessation of a smoking habit, the data indicate that the cost per quit attempt was slightly over a dollar.

“Quit for a Week”: an Experimental Paradigm

The “Quit for a Week” approach could be an extremely useful experimental paradigm for testing alternative quitting or persuasive communication strategies. For instance, subjects who have been induced to quit for a week in an internet study could be randomly assigned to a goal intention condition or one of a number of implementation intention conditions (Gollwitzer 1999), such as avoiding circumstances where one might relapse, or using smoking surrogates (gum or flavored toothpicks). Dependent variables would include the length of the quit. Alternatively, instructions could be framed as learning goals or performance goals (Gollwitzer 1999). The ultimate use of the “Quit for a Week” technique may be as a setting for testing a wide variety of cessation approaches.

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EXAMINING MOTIVATION VS. ABILITY IN LOW-LITERATE POPULATIONS

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SUMMARY
In the pursuit of determining equitable public policy for consumers, the issue of functional literacy has received much deserved attention. Estimates of functional literacy from the 2002 National Assessment of Adult Literacy (NAAL) suggest that at least 22 percent of U.S. consumers lack the language and number skills required to perform basic tasks in a typical retail environment, such as calculating unit prices and price discounts or comparing product attributes (Kutner et al. 2005). Similarly, between 34 and 55 percent of consumers lack the skills to consult reference materials to determine which foods contain a particular vitamin (Kutner et al. 2005). Further exacerbating the issue is the link between education and health, such as the findings of recent studies that show a high correlation between education and health issues such as the rate of obesity, diabetes, and heart disease (Crespo and Arbesman 2003). This link changes the implications in this research area from how consumers are able to choose between products of different value and quality to the more compelling question of how consumers are able to choose products that will help them lead healthier lives.

Recent academic work in marketing has become increasingly interested in consumer behavior among low-literate populations (recent examples include Adkins and Ozanne 2005; Viswanathan and Gau 2005; Viswanathan, Rosa, and Harris 2005), though much of this work has been qualitative. Some attempts have been made to use experimental methods in these settings (Jae and Delvecchio 2004; Viswanathan, Hastak, and Gau 2006). In much of the research, the data is acquired in one-on-one settings. This style helps ensure comfort and confidentiality for low-literate subjects. However, the prohibitive cost of acquiring data and the associated lack of subject availability and subsequent lack of statistical power makes this experimental research difficult for low-literate populations.

From a conceptual standpoint, many basic psychological examinations of low-literate populations have not been explicitly examined. As such, the fundamental psychological theories, which have been largely established using college students, may not be fully transferable to low-literate populations. One basic question that has not been explored for the low-literate population is the link between ability and motivation in different situational contexts. The question of how low-literate consumers may respond differently than the general population to different situational contexts is addressed using Signal Detection Theory (SDT).

We propose that Signal Detection Theory (SDT) can be used in judgment tasks to show that differences in ability can be detected under different levels of motivation. While SDT is not a new method, it is a method that has been relatively ignored in consumer research for judgment tasks, though it has been used for memory/recognition tasks (e.g., Cradit, Tashchian, and Hofacker 1994; Tashchian, White, and Pak 1988; Ye and Van Raaij 2004; Yoon 1997). However, demonstrations of the power of SDT in judgment tasks for detecting group differences for populations that are difficult to reach has been shown (self-reports of schizophrenia are shown by Wong et al. in press).

Our prior research, specifically interviews and field observation of participants selected from adult education classrooms, were used to determine different situations that would lead to differences in motivation. Three conditions, pricing structure (e.g., prices that end in “round,” such as $2.00 or $2.50, versus “odd,” such as $2.09 or $2.79, numbers), product familiarity (commonly used versus unfamiliar products), and brand name (national versus generic brands) were all seen to have effects on motivation to process information. For pricing structure, round numbers were thought to result in a higher level of motivation than odd numbers. And similarly, familiar products were expected to result in a higher level of motivation than unfamiliar products. Finally, for the brand name condition, it was expected that national brands would result in higher levels of motivation than generic products.

As a result, it was hypothesized that for high ability groups (such as undergraduate students) there would be no significant difference in performance between any of the
three conditions, but that there would be differences detected for between the high and low conditions for all conditions in low ability (here, taken to be low-literate) groups. Similarly, it was hypothesized that for all conditions, high ability groups would outperform low ability groups, but that for the high motivation conditions, this gap would be reduced.

To test our hypotheses, respondents were recruited to answer a 60-item questionnaire. Each item in the questionnaire posed the same question, “Which is the better value?” The respondents were shown a PowerPoint presentation where each slide asked the aforementioned question, and showed two pictures, labeled “A” and “B.” The pictures showed two bundles of the same product. One picture showed two smaller packages while the other picture showed one larger package. Below the pictures, it was noted that each choice, “A” or “B,” would contain the same amount of the product, and the price for each container was shown. Essentially, the respondent was being asked whether two smaller, normal sized containers, at a stated price-per-container was a better value than a single larger, double sized container, at its stated price-per-container. Each slide in the presentation was shown for up to 10 seconds, with the next slide shown once the respondent answered a question.

The high ability group, 80 undergraduate business students from a large, Midwestern university were used. For the low ability groups, students from an adult education center were used, and divided into groups based on grade-equivalency level: 0–4, 5–8, and 9–12, with 12 respondents from each of the three levels. The high and low ability groups all answered the same questions. The undergraduate students participated in large group sessions where each individual filled out a questionnaire while the presentation was shown. Given the need to make the low-ability participants as comfortable as possible, they participated in one-on-one sessions where they responded only verbally, with the experimenter recording answers. Respondents typically completed all 60 questions in under three minutes, and no respondents complained about the length of the study.

Preliminary analysis of the findings suggests that the hypothesis that the levels of motivation (from the different conditions) led to differences in performances was confirmed for all of the conditions. It was found that the price structure condition resulted in the greatest difference (i.e., the high versus low motivation levels for price structure resulted in a larger differences in performance than for any other condition, for both the high and low ability groups). The product familiarity and brand name conditions, were less significant, likely because they depended on the individual consumer’s schema, which varies greatly even among individuals within the same level of ability. Furthermore, it is found that the use of SDT enables significant statistical results with as few as eight respondents per group and was able to detect group differences between each of the three levels of ability. On the other hand the use of ANOVA required at least 18 respondents to a group and required the removal of the 9–12 group and the collapsing of the 0–4 and 5–8 low ability groups into one group to determine significance.

In conclusion, it is seen that the method of SDT can be used in studying how situational contexts influence the link between motivation and ability in a more efficient way than more common methods (i.e., ANOVA). These findings help reinforce the qualitative findings in the low-literate consumer behavior research, as well as point at lower boundary conditions of existing psychological theories.

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AVERTING A “SILENT EPIDEMIC”: AN ANALYSIS OF HEPATITIS C PUBLIC SERVICE ANNOUNCEMENTS

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SUMMARY

Hepatitis C (HCV) is “the most common chronic blood borne virus infection in the United States (Buffington, Rowel, Hinman, Sharp, and Choi 2001, p. 47). Yet, there is a startling lack of awareness about HCV among individuals who may have the virus (Buffington et al. 2001; Parini 2001). This lack of awareness among many individuals infected with HCV makes this disease a silent epidemic and improved public health necessitates breaking the silence surrounding HCV. To that end, this study addresses HCV public service announcements (PSAs) by exploring the responses of individuals with HCV and by offering insights into strategic communication strategies to address this burgeoning epidemic.

Marketing professionals creating PSAs directed toward those at risk for communicable diseases, such as HCV, must realize the stigma and structural barriers that often keep at-risk people from getting tested. An example of the many barriers to testing for HCV can be found with HIV/AIDS. Parallels between HCV and HIV/AIDS are highly relevant to this study and these studies suggest that at-risk persons can sense and often fear judgments about their sexual and/or drug behaviors from the medical providers administering the tests. Such judgments may keep them from getting tested. Further, stigma can also discourage individuals at risk due to contact with blood and blood products through non-drug related events from seeking treatment. Thus, PSAs cannot just encourage at-risk individuals to get tested for communicable diseases such as HCV, but they have to address the barriers and stigmas to getting tested.

Social marketing, the practice of tailoring messages to the consumer, offers valuable insights for the promotion of public health. The cornerstone of social marketing is its customer-driven focus. With illnesses such as HCV, the audience is broad and health officials cannot assume the same message applies to everyone. Thus, social marketing uses research to segment the market and target the specific needs of individual audience members. To apply a social marketing approach to public health campaigns, public health officials need to consider the costs, benefits and appropriate means of delivery successful messages. In that sense, public service announcements should be considered an integral component of any public health campaigns, as they “promote an idea or influence behavior” (Wymer, Knowles, and Gomes 2006, p. 161).

To address how social marketing might interface with the creation of HCV PSAs, two questions are addressed. How do individuals with HCV interpret the messages within existing PSAs? What kinds of message might this target audience be most receptive to and why? To explore these questions focus groups were the chosen methodology. The PSAs used in the focus groups were from the state of Texas Department of Public Health and provided to the authors by the Centers for Disease Control and Prevention. The two spots selected, Freddy Fender and Dart Thrower, each take differing approaches. Freddy Fender uses celebrity appeals and has high efficacy values. Dart Thrower relies on fear appeals. Each spot had a 10 and 30-second version.

Focus groups, ranging from five to nine participants and were conducted in the state of Wisconsin during June 2005. Participants came from three Hepatitis C support groups in Appleton, Madison and Milwaukee Wisconsin. Participants were shown the PSAs and then asked open-ended questions about their emotional response to the content. They were encouraged to link their personal experiences with HCV to the discussion questions.

The findings of this study suggest that minimizing fear tactics, maximizing self-efficacy messages, using celebrities and offering tangible, hopeful information will lead to optimal success. Yet, on a human level, if there is anything that stands out in this study it is the tremendous level of self-advocacy among these individuals. Their knowledge, if properly utilized, could form the foundation for highly effective public health campaigns that could potentially stem the tide of this silent epidemic. They are knowledgeable, occasionally more so than some of their healthcare providers. They are motivated and often articulate. But most importantly, they understand what motivates this target audience, because they are the target audience. Public health communicators would do well to
tap into this group of individuals as they create communication plans to promote testing and treatment for HCV. Individuals, such as those who participated in this study, form a rich and valuable resource – yet, they are largely an untapped resource. Not only do they understand the experience of living with HCV, but they candidly articulate those experiences and are conversant about non-traditional ways of reaching the audience – themselves. As Noar and colleagues (2006) suggests, knowledge of the audiences’ attitudes, norms and means of self-efficacy potentially provides a powerful tool for creating successful of social marketing campaigns.

Social networking is clearly a strong source of advocacy and support for these individuals. By tapping into already existing social networks and expanding outward, health communicators have the potential to develop resonant and “maximally effective programs” (Slater et al. 2006, p. 171). Further, social networking also lends itself perfectly to the use of celebrities, especially local celebrities working at the local level. Using known and trustworthy celebrities to disseminate messages of hope, through social networks and across multiple media, with a focus on non-traditional media, the potential for heightened awareness about testing and treatment for HCV will be greatly increased. The findings of this study are consistent with the work of Brown and colleague (1995) and suggest that celebrities, with whom the audience finds a resonant connection and a feeling of trust, have the potential to exert a powerful influence the future behavior of this target audience.

Ultimately, by utilizing research that leads to strategic audience segmentation and equally strategic communication tactics, public health communicators can address the individual and structural barriers to getting tested for HCV. In doing so they have the potential improve public health by creating highly strategic messages offering hope to those infected with HCV. If properly implemented, social marketing campaigns could have dramatic effects in the promotion of HCV testing and treatment, potentially stemming the tide of this burgeoning epidemic. Clearly more work needs to be done to understand this population and to offer more concrete tactical advice to public health communicators as they address the burgeoning HCV epidemic. Unlike the study of HIV/AIDS, there is little communication research that has been done on HCV. To successful address HCV, much more research must be done. In the end, this is but one study attempting to give voice to those living with HCV and thus to understand who they are and how best to reach them. In addition to the above findings, this study exemplifies a single unique factor in building trust with a group of at-risk individuals. The authors believe that the lead authors willingness to disclose personal experiences with HCV was a significant factor is building a substantially deepened level of trust with the participants of this study. That willingness, rooted in theoretical sensitivity, led to more engaged interactions, deeper trust and ultimately richer data. This suggests that health related studies could greatly benefit from self-disclosure, by researchers, should they too have personal experiences with the illness under study.

What emerges from this study is s a poignant picture of individuals, living with HCV, who actively use social networking to share knowledge and advocate for themselves. The study highlights a group that, to some extent, has lost faith in the healthcare system. They are a physically and emotionally tired, and they are frustrated by messages of fear and a pervasive lack of information, sadly at times even among healthcare providers. They are highly cognizant of the stigma that comes with having HCV and they continue to look for messages of hope. As a group, they also provider social marketers with a rich and larger untapped resource to enhance development of campaigns to address this silent epidemic. Finally, despite fatigue, frustration and stigma they remain an optimistic group of individuals – good-natured to the end. As one of the groups comes to a close one of the participants, Dave, with a wry smile stated, “It they don’t do something about this soon, they will need mass production. There’ll be a liver factory in Flint, Michigan.” References available upon request.

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PRESCRIPTION FOR PRIVACY AND SECURITY CONCERNS: A COMPARISON OF HEALTH-RELATED AND NON-HEALTH-RELATED WEB SITES IN THE TOP 100 NPOs

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SUMMARY
Prior research (e.g., Nowak and Phelps 1992; Rohm and Milne 2004) indicates that consumers are far more concerned with the privacy of their personal medical information than other types of personal information that marketers may collect. This research, however, has not examined consumer behavior with regard to the sharing of personal information with other individuals or with non-profit organizations (NPOs) in an online environment.

With 80 percent of adult Internet users having searched for health/medical-related information online, it now trails only email (93%) and researching a product/service before purchase (83%) as a common online activity (Fox 2005). Not only are these 95 million Americans whom the Pew Internet and American Life Project has dubbed “Health Seekers” (Fox 2005) going online for themselves, but many of them are also “e-caregivers” or those who “found the Internet to be crucial or important during a loved one’s recent health crisis” (Madden and Fox 2006, p. 1). This latter group of health seekers, numbering about 17 million, use the Internet to gain advice and support from others, find professional services, and locate information and compare options as they help others cope with a major illness or medical condition.

This study begins to address that gap by examining the collection and posting of personal information on the Web sites of the 27 health-related organizations in the top 100 NPOs and comparing their practices to their non-health-related counterparts.

Method
The top100 NPOs represent a variety of organization types and are classified based on the National Taxonomy of Exempt Entities – Core Codes (NTEE-CC). The four health-related classifications are health care; mental health and crisis intervention; diseases, disorders and medical disciplines and medical research. Using this taxonomy, 27 health-related organizations were identified.

The FTC’s (2000) Privacy Web sweep and Hoy and Phelps (2003) coding scheme served as the foundation for this study. We included additional features that were observed in coding scheme development on NPO web sites outside the sampling frame. These sites were evaluated in Summer 2005. Intercoder agreement between the two independent coders for the final sample was 91.3 percent.

Selected Results
We found that not only do all of the health-related sites collect personal information, but all of these sites also posted personal information. Not surprisingly, personal health information was posted on significantly more health sites (88.9%, n = 24) compared to non-health sites (29.2%, n = 21); χ² = 28.25, p < .001. The individual posted the personal health information him/herself on 58.3 percent of these 24 sites. Additionally, 37.5 percent of these sites contained information posted by another (identifiable) person such as a relative and nearly 80 percent of the sites contained personal information posted by an unidentified source. Key findings regarding type of information posted could be divided into two areas: health information and teen/children’s information.

- Children’s names posted: Health sites (59.3%) vs. Non-health sites (20.8%); χ² = 13.48, p < .01.
- Child volunteers’ photos w/names: Health sites (25.9%) vs. Non-health sites (2.8%); χ² = 12.73, p < .01.
- Adult health information posted: Health sites (85.2%) vs. Non-health sites (20.8%); χ² = 34.38, p < .01.
- Teen health information posted: Health sites (55.6%) vs. Non-health sites (5.6%); χ² = 31.65, p < .01.

A key contributor to these differences appears to be the presence of a discussion or message board: Health sites (48.1%) vs. Non-health sites (15.3%); χ² = 11.6, p < .01.
Subsequent analyses showed that a significantly greater percentage of sites with discussion boards posted children’s, teen’s and health information compared to sites without this feature. Although all of the 13 health sites with a discussion board required registration to post, only one required registration to read the information.

**Public Policy Implications**

This study found that they also share personal health information about themselves and others on health-related NPO websites. While this sharing can be useful to others seeking information or support from others in similar circumstances, it may also be inviting misuse of sensitive personal information.

The FIPPs of notice, choice, access and security focus on (commercial) entities’ personal information collection practices. Based on our findings, coupled with those of Hoy and Phelps (2003), we advocate the policy discussion also address the posting of personal information. Of particular concern is the posting of personal health information by someone other than the individual him/herself. Consumers should have knowledge and give consent before information is posted. Furthermore, they should be fully aware of the potential consequences of posting the information. References available upon request.

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STANDARDS OF INTERACTIVITY ON HEALTH-RELATED WEB SITES: IDENTIFYING CURRENT PRACTICE IN MULTIPLE WEB DOMAINS

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SUMMARY

The Internet has become a prime source of information on health-related topics (Morahan-Martin 2004; Walther, Pingree, Hawkins, and Buller 2005). According to Pew Internet and American Life Project study, about 80 percent of online Americans expect to find health information on the Internet. Furthermore, consumers show high levels of trust in online health information sources, second only to that of their personal physician (“Internet ‘Most Trustworthy’ for Health Information” 2005). Coupled with this trust is an increasing demand for access to Internet technologies that assist consumers in managing their health care. According to an October 2006 Harris Interactive poll, two-thirds to three-fourths of the respondents wanted email reminders of doctor/health procedure appointments, online ability to schedule appointments, email receipt of diagnostic test results and an e-medical record to collect medical information. Demand for this form of interactivity was viewed as improving the quality and safety of medical care and reducing health care cost (“Is There a Doctor in the Chat Room?” 2006).

A growing body of literature examines structural characteristics of Internet health information (Berland, Elliott, Morales, and Algazy 2001; Curro et al. 2004; Keltner 1998; McMillan 1999; Morahan-Martin 2004; Risk and Petersens 2002; Ritterband et al. 2006; Walther et al. 2005). Among the important factors in this context is interactivity (Ritterband et al. 2006).

The literature suggests three types of interactivity defined for this study as: human-to-computer, human-to-human, and human-to-content (McMillan 2002). Human-to-computer interactivity covers a variety of forms including navigational elements such as hyperlinks and menu bars. Other examples include online surveys, personalized login scripts, and online business transactions. Human-to-human interactivity features include means to facilitate communication between the organization and the visitor, such as email links, contact pages, or instant messaging/live chat. These aspects enhance customer relationship management. Human-to-human interactivity also includes tools that encourage contact among site visitors and others such as emailing site content to friends. Lastly, human-to-content interactivity allows visitors to contribute content to the site. Message boards, chat rooms, and ability to post are examples.

Recent research about Internet use for health information differentiated between .com sites that were seen as simply “peddling their wares” and government and educational sites that were perceived as being less biased and more information-rich (Macias and McMillan, Forthcoming).

Given the increasing importance of the Internet as a health information source and the critical role that interactivity plays in the consumer’s use and satisfaction with the site, an examination of the degree and form of interactivity in health-related Web sites is warranted. Furthermore, this study also evaluates interactivity based on domain type (i.e., .com, .edu, .gov, .net, and .org).

Method

A purposive sample of 100 health-related Web sites was selected (cp. Goldman, Hudson, and Smith 2000). Three coders were trained to code for interactivity using an assessment tool developed to be flexible to the changing nature of interactivity (McMillan 2007). The sites were evaluated in Fall 2006. Several measures of intercoder reliability were used, but all suggest that, despite the complexity of the coding scheme, overall intercoder reliability was strong.

Selected Findings

An average of 21.25 interactive features were found at these health related sites. The most common form of interactivity was human-to-computer (average of 16.81 features per site) followed by human-to-human (average of 3.53 features per site) and human-to-content (average of .83 features per site) interactivity. Each of these subtypes of interactivity correlated positively and significantly with overall interactive features.

Significant differences were found in the distribution of interactive features among the different types of Web
domains examined in this study. ANOVA found overall differences for human-to-computer interaction ($f = 2.83; p < .05$) and total interactive features ($f = 3.44; p < .01$). While some nuances were found among different types of interactivity, post hoc analysis of overall interactivity highlights the key differences based on domain types. The .gov sites were significantly more interactive than were .org ($t = .264; p < .01$), .net ($t = 2.16; p < .05$), and .edu ($t = 2.39; p < .05$) sites. Similarly, the .com sites were significantly more interactive than were .org ($t = 2.71; p < .01$), .net ($t = 2.21; p < .05$) and .edu ($t = 2.37; p < .05$) sites.

**Discussion**

Appropriate interactive health-content Web sites will contribute to public health as consumers easily access what they want/need to be proactive in their own health care management. Identifying differences in the degree and form of interactivity at health-related Web sites will help policy makers set standards for interactivity to guide development of consumer-friendly sites. Differences based on domain type suggest that government sites are more interactive than many other types of sites and offer a strong interactive alternative to .com sites. Consumers want interactivity. Commercial sites are giving it to them, but that interaction usually comes with expectations for a market-based exchange. Government sites serve a public that seeks both health information and interactivity without pushing products and/or service on consumers. References available upon request.

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TRUST IS THE NAME OF THE GAME: THE EFFECTS OF BRAND FAMILIARITY, DISCLAIMER SPEED, AND TRUST ON PURCHASE

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SUMMARY

Stemming from research in the area of trust (Holmes and Rempel 1989; Simpson in press), we propose that product trust develops in two separate stages. In the first stage, called evaluation, consumers consider a number of different products before making a purchase decision. They attend to product cues that are trust-relevant. In the second stage, called faith, consumers turn off their evaluative mechanisms and purchase a particular product without considering as many other options. They no longer attend as closely to trust-relevant cues because trust has already been established.

This theoretical analysis suggests that consumers judge (frequently via nonconscious cognitive processes) the extent to which a product is trustworthy as they go through the decisional stages leading to a potential purchase. Consumers ask themselves whether they have enough experience with a product to know whether it has historically provided good value (Question #1) and, if the answer is “yes,” they pay less attention to further trust-relevant cues. If the answer is “no,” then they attend closely to trust-relevant cues and ask themselves whether these cues are a sign that the product is trustworthy (Question #2). If the answer is “yes,” then they trust the product and are more likely to purchase it. If the answer is “no,” then they do not trust the product and, as a result, are less likely to purchase it.

In two studies using radio commercials and disclaimers, we provide the first empirical test of this two-stage model of product trust by manipulating one variable (brand familiarity) relevant to Question #1 and another variable (disclaimer speed) that relates to Question #2. We propose that the answer to the first question (do consumers feel as though they have enough experience with a product to know whether it has historically provided good value?) relates to whether consumers reach the faith stage of trust. If they have significant knowledge about and positive experiences with the product, faith trust is likely to be high regardless of the types of trust cues in a specific advertisement; if they do not, faith trust is likely to be low, and consumers are likely to attend closely to trust cues. This attention to trust cues makes the answer to the second question (are the salient cues a sign that the product is trustworthy?) important. If the cues suggest that the product is not trustworthy, then the consumer is likely to experience significantly lower trust levels.

We suggest that hearing a disclaimer read quickly provides consumers with a cue that the advertisement may not be trustworthy, whereas hearing it read slowly leads to the perception that the advertisement is trustworthy. We propose that the extent to which consumers trust a specific product will strongly affect whether they purchase it, and that the brand familiarity and disclaimer speed manipulations will strongly affect purchase intention. Further, this effect will be driven by the effects of the experimental manipulations on consumers’ level of product trust.

In Study 1, 113 undergraduate and graduate students (60 males and 53 females) participated in a 2 (brand familiarity: familiar versus unfamiliar) × 2 (disclaimer speed: slow versus fast) factorial design. We manipulated the extent to which the product being advertised by a professional DJ was one with which the participant was familiar (Cheerios Whole Toasted Oats) or unfamiliar (Health Valley Whole Toasted Oats). At the conclusion of the commercial, the DJ either read the disclaimer in three seconds or in six seconds.

In Study 1, the familiar product did not differ in its ability to build product trust and purchase intention as a function of disclaimer speed. In addition, disclaimer speed mattered only for the unfamiliar product. When the product was unfamiliar, slow disclaimers led to significantly greater product trust and purchase intention than fast disclaimers. Further, product trust was important in predicting purchase intention. Product trust significantly mediated the brand familiarity × disclaimer speed interaction effect on purchase intention.
In Study 2, we wanted to determine if the Study 1 effects were due to the process of (a) speaking slowly buffering against the potential negative consequences of disclaimers for unfamiliar products, (b) speaking quickly hurting the unfamiliar product when disclaimers are involved, or (c) both (a) and (b). Thus, we added a control condition to examine this issue in a new product domain (chocolate rather than cereal).

One hundred and ten participants (64 males and 46 females) participated in a 2 (brand familiarity: familiar versus unfamiliar) × 3 (disclaimer speed: fast, slow, control) factorial design. We manipulated the extent to which the product being advertised by a professional DJ was one with which the participant was familiar (Hershey’s Chocolate) or unfamiliar (Lake Champlain Chocolate). At the conclusion of the commercial, the DJ either read the disclaimer in three seconds or in six seconds (or there was no disclaimer).

As in Study 1, the familiar product did not differ in its ability to engender product trust and purchase intention as a function of disclaimer speed, but disclaimer speed mattered for the unfamiliar product. When the product was unfamiliar, slow disclaimers led to significantly greater product trust and purchase intention than fast disclaimers. An examination of the fast and slow disclaimer conditions in comparison to the control revealed that fast disclaimers hurt product trust and purchase intention more than slow disclaimers helped. As in Study 1, product trust significantly mediated the brand familiarity × disclaimer speed interaction effect on purchase intention.

An unfamiliar product’s trust cues are ones the consumer more closely heeds as there is no established faith-based trust. A slower disclaimer is less likely to create the perception that the unfamiliar product is trying to conceal what may make it less attractive. Without product trust, purchase intention for an unfamiliar product is significantly reduced.

So, is it ever wise to use a fast disclaimer? In addition, it seems important to measure the familiarity of the product in the target market before engaging in various promotional activities. Even products with which consumers are moderately familiar could fall victim to the drastic reduction in purchase intention, based on trust, if the disclaimer is read too quickly. Though the disclaimer often includes little information about why the product is special to the targeted market, it is vital that consumers can easily understand it. Consumers seem to infer that an unfamiliar product with a fast disclaimer is distrustful. References available upon request.

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CUSTOMER HETEROGENEITY: A POSITIVE SIDE EFFECT OF SOCIAL NETWORK-BASED TARGET MARKETING

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SUMMARY

Consumer network data are becoming widely and publicly available. While e-commerce and telecommunications firms are in the business of collecting data on their large proprietary consumer networks, portal sites such as MySpace, Friendster, and Facebook, make data on links between networked consumers publicly available. These data are ripe for target marketers who want to capitalize on social networks.

Recently, Hill et al. (2006) introduce network-based marketing, which refers to a collection of marketing techniques that take advantage of links between consumers to increase sales. The paper shows that “network neighbors” – consumers linked to a prior customer, adopted a large telecommunications firm’s new service at a rate 3–5 times greater than baseline groups selected by the best practices of the firm’s marketing team. Network-based marketing also enabled the firm to acquire new customers that would not have been identified by models that include traditional attributes alone. These newly acquired customers were originally part of the firm’s non-target group (Grier and Brumbaugh), a group of consumers likely to be denied an opportunity to sign up for the service thereby missing the chance to learn about and adopt the new technology. This paper extends the prior work by providing a deeper analysis of these unlikely targets.

Critiques of targeted marketing highlight the matter of social acceptability of target marketing (Rittenburg and Parthasarathy 1997) especially when such efforts are directed to specific demographic groups (Ringold 1995). However, the proposed social-network-based method might help to open market segments to include consumers in untapped areas. Firms that use social network-based marketing can increase geographical dispersal of the targeted audience. This work demonstrates that social network-based marketing may also benefit firms dedicated to increasing their reach to a more diverse customer base. This research provides evidence that social network-based marketing can increase customer diversity and reach while maximizing expected profits.

Method

To investigate and compare the geographic dispersal of the network neighbor and non-network target consumers, this study provides a post-hoc analysis of a large telecommunications company’s target marketing campaign for a new service. For each of the five million-plus targets, the firm knew traditional geographic information as well as information about targets’ communication behavior.

ANOVA was used to determine whether or not the population of network neighbors and non-network neighbor targets are different in each geographic location. Two 10-fold cross validated predictive models using logistic regression with and without the network attribute were tested to show the impact the network-neighbor attribute may have on profit. A comparison of the two predictive models using ROC analysis and expected profit is presented. Additionally, the odds ratio for the two target groups, the network neighbors and non-network neighbors, are used to compare the relative take rates across different geographic locations. A regression model is then applied to analyze the relationship between median income and the odds ratio.

Results

The unlikely network-neighbor targets are more profitable. The consumer network enabled the firm to identify new customers despite the fact that network-neighbor targets were considered sub par in terms of demographics, affinity and technological capability (Hill, Provost et al. 2006). Furthermore, an expected profit analysis finds these targets represent almost 30 percent of the total expected profit from the firm’s marketing campaign.

The network neighbor attribute was substantially more significant in geographic areas with less market penetration and result in relatively higher odds ratios. Based on census statistics, interestingly, these areas with low penetration also have low median income. The finding that the new service adoption was significantly less in low income regions complies with prior research that argues income heterogeneity and new product diffusion are inextricably linked (Van den Bulte and Stremersch 2004).

Discussion

Because of insufficient data, research in social network marketing had been unable to provide direct, statistical support for the hypothesis that network linkage can directly affect product/service adoption in areas with less
market penetration at a significantly higher rate than in areas with more penetration. The contribution of this work is that evidence is provided that social networks matter more in areas that have less market penetration.

The reason for this effect might be explained by variations in levels of awareness in different geographic locations. Another explanation is that information actually is being communicated by word-of-mouth. The links might also enable the firm to identify similar consumers, which is in accord with social theories of homophily (Blau 1977). Despite the lack of a clear explanation, the telecommunication firm benefits significantly. References available upon request.

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PROFILE OF SOCIALLY RESPONSIBLE INVESTORS

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SUMMARY

The amount of money invested in socially responsible mutual funds\(^1\) has grown; in 2005, of the $2.29 trillion in assets that used some form of socially responsible\(^2\) investing, there was $179 billion in 201 SRMFs (Social Investment Forum 2005), although less is known about who buys these products and why. To get answers to these important and unanswered questions, we surveyed 216 investors.

Theoretical Considerations

We view investing as a consumption process that has goals with many antecedents, some economic and others noneconomic, and also differentially weighted depending on the type of investor (Hansen and Schrader 1997), this is defined as investment goals. We propose that a number of antecedents will have an influence on investment goals. They are: religiosity, environmental attitude, collectivism, materialism, investment efficacy, and risk tolerance. We also propose that a SR investor will vary from the average investor on these antecedent factors as follows:

Summary of Propositions

\(P_1\): SR investors will be influenced by religiosity more than the average investor.

\(P_2\): SR investors will be higher on environmental values than the average investor.

\(P_3\): SR investors will be more collectivistic than the average investor.

\(P_4\): SR investors will have a greater perception of the efficacy of their investments than the average investor.

\(P_5\): SR investors will be less materialistic than the average investor.

\(P_6\): SR investors will not differ from the average investor in regards risk affinity.

\(P_7\): SR investors will exhibit a higher risk-taking propensity than the average investor.

Method

We surveyed 216 (135 males, 81 females) investors ranging in age from 25 to 88 with a mean age of 43.7 years. Our survey included 7-point Likert scales as measures of the constructs; Cronbach’s alpha ranged from 0.60 to 0.88. Measures of investment goals were used to classify the respondents; those scoring 14 or above (n = 61; 28.2%) were categorized as SRIs and the others were non SRIs. How the average investor compares to a SRI is reported in Figures 2a and 2b.

Managerial Implications

Fund managers need to acknowledge that for SR investors place as much or more importance on a fund’s stated social agenda than on its performance. This does not imply that SR investors are willing to forego their financial goals to advance social causes; it just means that they seek funds that conform to a personally relevant set of ethical and moral principles. Therefore, at the outset, it is important to determine the extent to which SR investors want to integrate their personal values into investment behaviors. Since personal values and moral principles motivate SR investing, fund managers would do well to tap popular segmentation databases such as VALS (e.g., principle oriented segments of Innovators and Fulfilleds) and the MONITOR MindBase (e.g., Renaissance Masters and New Traditionalists) to estimate market potential and better understand their customers.

ENDNOTES

\(^1\) Here after we refer to it as SRMF.

\(^2\) We use the abbreviation SR to stand for Socially Responsible as a prefix to Investing, Investment, or Investor(s).
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WHAT’S IN A DESCRIPTION? UNDERSTANDING WEBSITE ACCESSIBILITY FOR CONSUMERS WITH VISUAL IMPAIRMENTS

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SUMMARY

This paper examines website accessibility for consumers with visual impairments. In particular, we focus on the information (or lack of it) in two types of descriptions that are routinely posted online found in (1) alternative text ("alt tags") which is the text equivalent of an image, and (2) the text adjacent to an image that is posted for reading. We argue that both must be evaluated to determine whether all essential information is provided to online shoppers who have visual impairments.

The issue of web accessibility for consumers with visual impairments was first examined in the Journal of Public Policy & Marketing (Schaefer 2003). The article cogently argued that disability-specific accessibility guidelines should be incorporated into both the FTC requirements and the ADA’s jurisdiction. However, several years later, lawsuits are still being filed as consumers with disabilities continue to experience difficulties with web access.

The picture is mixed. Some websites are heralded for their accessibility, while others are the subject of lawsuits claiming that barriers still exist (Davis 2003; Frazier 2006; Schaefer 2003). Most recently, Target Corporation was sued in California by a blind student in cooperation with the National Federation of the Blind (NFB). The lawsuit, said to represent all blind persons in California who cannot access Target’s website, charged that Target’s website does not conform to common accessibility guidelines, such as the incorporation of “alternative text” labels. The NFB’s lawsuit considered the usability of common website features such as the store locator, the online pharmacy, and printable discount coupons.

From the consumer perspective, the issue is much more complex than designing a site that is accessible to screen readers and text enlargement programs. According to the rulings, the elements of a site that are connected to the same retailer’s physical stores can come under ADA jurisdiction, but the “line” is blurred and indistinct. In the present study, we argue that a key issue is whether needed information is provided to the customer. We specifically focus on descriptions used in “alt tags” and in narrative text on the web.

Sample

Depth interviews were conducted in Fall 2005/Spring 2006 with 45 persons who have visual impairments in order to understand their experiences while shopping online. Each was interviewed for approximately 30 to 60 minutes concerning their use of the Internet, their assistive technologies, and the web access issues that they felt were most important. The participants had web access and varying degrees of experience and expertise with online shopping. Several categories of observations were identified and organized into conceptual categories related to feelings and to the physical realities of the disabled shoppers, following procedures recommended by Strauss and Corbin (1998).

Findings

Findings indicate that the issues are both technical and marketing in nature. First, unless a picture, photograph, or diagram is given an informative name, a blind customer’s screen reader will read-only gibberish, such as img03879.jpg, effectively limiting their access to the information that could potentially be transmitted. Secondly, verbal descriptive information that is posted should contain enough information so that the customer can form a mental image when the text is read to them. However, interview comments argue that posted descriptions seem to be developed to accompany the visual image, rather than as an effective alternative to it.

Overall themes include:

1. Online descriptions often assume that people can see the pictures and just need additional or confirmation of a product’s characteristics.

2. Listening to descriptions requires a different type of attention and processing due to the (a) time needed and (b) level of detail that must be interpreted when it is heard.
3. Many sites are designed assuming that people can access information using mouse clicks. For example, participants emphasized that not all persons with visual impairments are able to use mouse technology, using the keyboard instead. Thus, information may be posted but be unable to be retrieved by some consumers.

4. The web provides information that is inaccessible in physical stores. For example, product labels can be read through screen readers or screen magnifiers that are not available in bricks and mortar settings.

5. Narrative descriptions are often posted that do not provide the information that a visually-impaired person needs to make an informed purchase. Detail is needed that a sighted person might not find relevant such as whether the buttons on an appliance are raised or flat. References available upon request.

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EXAMINING CONSUMERS’ ATTITUDES ABOUT DEATH AND FUNERAL PLANNING: A SOCIAL MARKETING APPROACH

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SUMMARY

Death care products represent unique consumer purchases. The financial outlay for a funeral and associated products and services can be among the most expensive purchases an average American can make (FTC 2000). Because of the financial cost, and because of the stress and potential vulnerability consumers may experience in making decisions about funeral purchases, consumer protection groups, including AARP, the Funeral Consumers Alliance, the National Funeral Directors Association, and Federal Trade Commission, have made efforts to inform and persuade consumers about the benefits of preplanning for death care. Even so, a large proportion of consumers have not made end of life arrangements of any type (Wirthlin 2005; AARP 2004).

One possible explanation for this is that consumers may have some underlying source of resistance to planning for end of life. Part of this resistance may be a result of their attitudes about death (Wong, Reker, and Gesser 1994). This study examines consumers’ attitudes about death in relation to end of life planning behavior. If attitudes toward death are a factor in funeral planning, social marketers may use this knowledge in formulating both segmentation and targeting strategies. We also examine sources of information that are used by consumers for funeral planning. Our results are then used to suggest formulation of social marketing programs to encourage end of life preplanning.

Methodology

A total of 209 non-student adults responded to a survey that included items related to attitudes toward death, funeral planning, demographics, and sources of information for funeral planning.

The measure used to assess attitudes toward death was the Death Attitude Profile – Revised (DAP-R), which is intended to capture the multi dimensionality of death attitudes (Wong, Reker, and Gesser 1994). The DAP-R scale consists of 32 items on a seven-point Likert scale that capture three subcomponents of acceptance of death (1) approach acceptance: belief in an afterlife and a desire to go their (2) escape acceptance: belief that death represents an escape from the pain and misery of life and (3) neutral acceptance: comprises an ambivalent or indifferent attitude about death. The DAP-R also includes two subcomponents related to the fear of death (1) fear of death: directly measures the individual’s fear and awareness of the realities of death (2) death avoidance: measures whether an individual avoids thinking or talking about death in order to reduce death anxiety.

To assess planning behavior, respondents indicated whether they had made any steps toward planning their funeral. Finally, respondents were asked what sources of information they consulted, or would consult, for funeral planning or end of life decision-making (adapted from Moorman et al. 2004). Demographic data were also gathered.

Results

A majority of the respondents from our sample, or 56 percent, had taken steps to plan their funeral. Results also indicated that individuals that had not engaged in planning reported higher levels of a fear of death (M = 3.24 and 2.74, t(174) = 2.54, p < .05) and higher levels of death avoidance (M = 3.46 and 2.7, t(173), p < .001). There were not significant differences between the plan versus no plan groups for neutral acceptance, approach acceptance, or escape acceptance.

Respondents rated close family as the sources most often used (M = 4.13 on a 7-point scale) and friends and work associates next (M = 3.33). Advertisements (M = 1.68) as well as television and radio programming (M = 1.63) were reported as the sources used least.

Discussion

The number of respondents reporting that they had engaged in planning, 56 percent, is much higher in our study than in previous studies conducted (Wirthlin 2005). Those respondents that reported no planning exhibited higher levels of both fear of death and death avoidance. This provides preliminary, concrete evidence that an individual’s attitude about death, particularly if it is re-
lated to a fear or avoidance of death, may have an impact on planning behavior. There were not significant differences in the death acceptance attitudinal variables between the plan-group and the no-plan group. Stronger unfavorable attitudes about death may have a greater impact on ability to engage in planning, while higher levels of death acceptance do not appear to increase planning.

Consumerist groups have emphasized the importance of end of life planning to consumers. These efforts have not incorporated a social marketing viewpoint, but rather have disseminated generic messages using basic demographics (age) as segmentation criteria. Results in our study suggest that identifying and dealing with consumers’ attitudes about death may be necessary to reduce resistance to planning behavior. Social marketing messages might be made more effective by simply addressing the resistance that individuals may have about planning for end of life. Acknowledging consumers’ resistance might help to mitigate the “avoidance forces” that prevent some consumers from preplanning (Knowles and Lin 2004) and may also enable effective targeting of messages to different segments beyond simple demographics.

To better target messages, the other primary component of a social marketing approach is media selection. For this sample of respondents, the sources of media used most often were friends and work associates and spouse and relatives. Media usage should be carefully considered in developing social marketing programs to encourage planning. For example, effective communications efforts might include a component that strengthens the opportunity and execution of word-of-mouth. Traditional forms of media and direct mail might be used to complement word of mouth dissemination.

The issue of end of life planning and death care consumption involves complex behaviors and processes. To begin to understand more sophisticated segmentation criteria as well as media usage are important steps toward developing messages to encourage and influence consumer decision-making. References provided upon request.

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ETHICAL ISSUES IN SOCIAL MARKETING

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SUMMARY

Social Marketing cannot be absolved of the ethical concerns while addressing social problems that policy makers, practitioners and academicians in the field must adhere to in order to realize the objectives of improving the quality of life of the people, particularly disadvantage communities. The concerns were voiced by Kotler and Zaltman and their contemporaries in the 1970s (Lavidge 1970; Laczinak, Lusch, and Murphy 1979). Brenkert (2002) in his provocative paper: Ethical Challenges of Social Marketing highlights the centrality of the people pertinent problems. “The researcher” he says, “seeks to bring about social change through marketing techniques, not through the usual techniques of social and political discourse, grass roots action, and so forth. The people they seek to aid in the change process are not given a voice in the sense of being accorded participatory rights. Coicaud and Warner (2001) highlight the essential features of ethics. “Ethics” he says, “is not self in isolation. The ethics, fundamentally, has a social quality. It aims at integrating existence and the fate of others into our vision of ourselves into our thoughts and actions. It is about feeling that our individual lives extend to the lives of others. Ethics forces each of us to feel that our identity is also defined by our relations to others.” Wiener (1993), very rightly observes that social marketing is essentially the recognition of the fact that social problems cannot be resolved by any single individual. Several researches have revealed that individual change approach and that imposed changes have not yielded very fruitful results, despite the fact that lot of money were spent on mass media advertising and through other persuasive techniques (Andreasen 2002, 1997; Bloom and Novelli 1981; Khan 2005, 2004; Rangan et al. 1996; Costanzaco et al. 1986 – cited in McKenzie-Mohr 2000; Goldberg 1995; Wiener 1993; Wansink 2002). Notwithstanding the relative advantages in all of these approaches a pertinent question still remained as to what was the role of a community in determining its own options and modalities of their implementation. There was thus an ethical gap in social marketing strategy as rightly pointed out by Brenkert (2002) that the logic of “consumer theory, may replace moral justification.” To this may be added that group dynamics provides the necessary mechanism for realization of the core objectives of social marketing.

This research uses Group Dynamics (Lewin 1945; Wansink 2002) as a strategic tool for social marketing from within the community. A group relatively small in size, serves as a unit of analysis and an instrument for social marketing to induce the change process through interaction among the members. The focus is on consensus seeking which is the quintessential norm of democratic society and generates dynamism critical for the success of social marketing program. The paper covers the Mera Begwal study which demonstrates the efficacy of group dynamics for speedier development of a community relatively impoverished. The study clearly demonstrated that when groups achieved understanding and insight, it not only identified the hard pressing problems but created a motivational zeal to resolve them through consensus. The results of the study have been tabulated through measuring first the attitudes and beliefs of the members of the community which typically reflected the traditional style of thinking. The group which interacted served as an experimental group, whereas the control group did not participate in the interaction. Initially, both the groups showed the commonality in their beliefs and attitudes. In other words, when measured in statistical terms both showed a negatively predisposed orientation on the items of the attitude scale which reflected relatively poor self concept, fatalistic attitudes towards life, etc. It was predicted that in the experimental group believes and attitudes would change considerably due to interaction. These changes have been reflected on the attitude scale administered to the members of the group showing significant change in responses closer to the central value. The attitudinal transformation has occurred in experimental groups. Moreover, feedback of the responses after several sessions of interaction also lent testimony to the fact that the group dynamics was the major determinant in bringing attitudes and beliefs towards more objectivity and not attributing failure to external factors. The second important measure of change was the molar behavior of the group members in terms of specific actions and activities besides sustainability of these over along period are made by involving other members of the community for new initiatives has also been recorded and evaluated. As mere attitudinal changes are not sufficient indices of desired changes unless these translate into some measurable collective actions such as donation of lands for communication and other infrastructure for benefit of the community, fund raising, promoting new initiatives in order to promote health and hygiene as well as facilitating educational institutions to enhance their capacity. This crucial hypothesis of the research was supported, for example more than 8000 square feet of land was donated by the community members in the year 2006.
compared to 2460 square feet during the period from 2004 to 2005 for widening of lanes and streets besides funds raising for developmental activities. The group submitted the plan to Islamabad Capital Authority (ICT) for pavement of lanes and streets on the basis of cooperative action. The impact of the progress was quite perceptible as the group acquired credibility and necessary funds and support from ICT to cement the lanes were provided for the common benefit of the community. Once the success was achieved in this program the group members were motivated to resolve other problems and took initiatives in providing library services, promotion of a public health and hygiene campaign as part of important components of social marketing program. The feedback from facilitator and independent observers have also confirmed the marked improvement in the overall performance of the group members and taking positive steps towards improvement of the services to the community.

The community has been transformed into achieving entities and they are cooperating in enlarging the range of their activities which impinge upon the lives of members of the community. This experiment also promotes ethical norms and values which are essentially required in transcending individualistic and selfish orientation towards what concerns the other members of the community. This in short determines existence to human dignity and respect to diversity.

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NUTRITION LABEL USE AND THE NEW DIETARY GUIDELINES FOR AMERICANS: POLICY IMPLICATIONS FOR FOOD AWAY FROM HOME LABELING

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ABSTRACT
The policy debate continues as to whether restaurants should be required to provide nutrition information. This study investigates if young adult users of nutrition label information follow the 2005 Dietary Guidelines for Americans (DGA). It also examines whether they would utilize nutrition information in a restaurant setting.

INTRODUCTION
Two best selling popular books, Food Politics (Nestle 2003) and Fast Food Nation (Schlosser 2002) have both sensationalized and brought to the forefront the negative impact that the food industry in general and the restaurant industry in particular, may have on the health of society. The restaurant industry counters these negative implications by stating they simply meet consumer demand (Kim 2003). Over the past two decades, obesity rates in the United States have nearly doubled; 20 percent of Americans are currently obese and 64 percent are overweight (FDA Obesity Working Group 2004; CDC 2004a; CDC 2004b). While researchers continue to try to quantify the effect that food away from home (FAFH) consumption has on obesity, policy makers are making recommendations that may help the public make healthier consumption choices. These recommendations span both consumer demand and industry supply.

One such policy recommendation is the 2005 Dietary Guidelines for Americans (DGA) which answers the question “what should Americans eat?” (FDA 2005). Several key messages have been developed to help people make healthier food choices, including phrases such as, “Don’t give in when you eat out,” “mix-up your choices within each food group,” “make half your grains whole,” and “limit the intake of saturated and trans fats, cholesterol, added sugars, salt, and alcohol.” All these messages were developed using a scientific evidence based approach (FDA 2005; Nicklas et al. 2005). Currently, however, there are no standardized labeling policies in place for FAFH that can help people implement the DGA when they eat out.

The United States Department of Agriculture (USDA) Keystone Forum on away from home foods suggests that labeling of restaurant foods is a strategy that can help combat weight gain and obesity (Keystone Center 2006). The FDA currently requires some restaurant labeling under the Nutrition Labeling and Education Act of 1990 (NLEA), but these regulations only apply to menu items specifically claimed to be healthy. The regulation also allows nutrition information to be provided by any “reasonable means,” but does not require information to be on menus nor in the U.S. packaged-food standard “Nutrition Facts” format (Foulke 1996). The FDA does require labeling in regards to food safety concerns, specifically with respect to undercooked animal products (FDA 1999).

As obesity is increasingly a health concern, if a causal relationship can be shown between nutrition labeling and food choice decisions, this issue may well-become one of public health, especially when considering that the current “undercooked animal product” labeling requirements address the health of a relatively small segment of the population (e.g., those with weakened or underdeveloped immune systems) (Illinois Dept. of Public Health 1996), and obesity is a health risk for a much greater segment of the population.

Whether requiring labeling of FAFH will make a difference in America’s eating patterns, is a question that should be answered before any major policy actions are taken. Empirical evidence is lacking as to whether restaurant labeling will change Americans’ food choices at away from home venues. Because of the currently voluntary nature of FAFH labeling, collecting data to answer the question is difficult. In formulating this research, for example, discussions with both a national restaurant chain and a local “mom and pop” fast food establishment proved uncooperative to furthering our data collection goal. In fact, the local fast food restaurant representative asked, “why would we label our food?” Therefore, in order to collect information on whether FAFH labeling has the potential to change food choices toward healthier alternatives, controlled experiments were a viable alternative. Using a sample of college students enrolled in a University dining plan, this study investigates the questions: “Do
people want labels on their FAFH?“ “Do people who use labels on packaged foods make better choices in FAFH settings?” and, “Is it reasonable to conclude that labeling FAFH will make a difference in dietary consumption?“

BACKGROUND AND LITERATURE REVIEW

Food Away from Home

Restaurant sales have increased 312 percent over the past 20 years and in 2006 represent 511 billion dollars in sales (National Restaurant Association 2006). Food away from home (FAFH) consumption accounts for nearly one half of all food dollars spent (Stewart et al. 2004) up 25 percent since 1995. Both industry and government estimates indicate continued growth (National Restaurant Association 2006; Blissard et al. 2002).

Food away from home (FAFH) differs nutritionally from food produced at home. Overall energy density of FAFH is reported to be at least 1.4 times higher for FAFH compared to food at home, and depends on an individual’s overall diet quality (Variyam 2005). It is higher in calories, sodium, and saturated fat, and lower in fiber and calcium (Lin and Morrison 1999; Guthrie and Smallwood 2003).

FAFH comprises one-third of the caloric intake for children ages 12–17, with fast food being preferred and almost 40 percent of their calories are consumed at FAFH venues. As children reach older adolescence, poorer choices are made with regard to fiber, calcium and iron rich foods (Lin and Morrison 2002). Paertuckeal (2003) finds that children and adolescents who report eating fast food consume more calories, saturated fat, and sodium than others. The 2005 Youth Risk Behavior Survey results indicated that only 18.3 percent of twelfth grade students consumed the recommended amount of more than five servings of fruits and vegetables per day, a decline in the percent since ninth grade. Only 13.5 percent of youth drank more than three glasses of milk (Eaton et al. 2006). Discretionary calories consumed in the form of solid fat, alcohol, and added sugars (SoFAAS) are highest among girls/women and boys/men in the 14–18 and 19–30 age groups. In fact, for boys/men ages 14–18 and 19–30, SoFAAS intake contribute 39–42 percent of total daily calories, even though the DGA advise, in the most generous case (Eaton et al. 2006), that only 20 percent of calories come from these foods.

Holben and Hallsell (1998) report that first year college students did not meet dietary guidelines for any food group except dairy, and with the Got Milk? campaign above 90 percent awareness among teenagers (Kyllo 2003), this is hardly surprising. Anding et al. (2001) found that college women were eating an average of only 1.3 servings of dairy, less than one serving of fruit, and 2.4 servings of vegetables per day. Racette et al. (2005) report that in a group of college sophomores 30 percent reported eating five servings of fruits/vegetables per day, while 41 percent ate at least three fried foods and almost 50 percent consumed three high fat fast foods in the previous week.

While the literature is limited, there is some evidence that college students may not be making the healthiest food choices, though there is some evidence of the positive impact of information campaigns which promote targeted foods.

Consumers seem to be recognizing the challenges of eating a healthy diet when consuming FAFH. Several surveys have found that consumers increasingly favor requiring calorie labels in restaurants (Brownell 2005). Despite its burden on the restaurant industry, labeling may be less coercive a policy measure than those being considered and implemented currently, such as banning the use of trans-fats.

Nutrition Labeling

The literature indicates that socio-demographic variables affect the likelihood of obtaining the correct information from labels. The bulk of the research has concentrated on who reads and utilizes nutrition information from labels, especially in connection to the Nutrition Labeling and Education Act of 1990 (NLEA). Research focusing on the NLEA includes articles by Burton and Biswas (1999), Jensen and Kesavan (1993), Navder (1993), Padberg (1992), and Wang, Fletcher, and Carley (1995). Central to these studies are the premise that if consumers understand health benefits/costs associated with specific foods, they will modify their choices based on information provided.

Several socio-demographic variables have been shown to influence use or understanding of labels. Bass (1991) found that having more education, being older and being female all increased the satisfaction one has with information on labels, implying greater use of them. Jensen and Kesavan (1993) found that higher income, greater age, and more education all increase the consumer’s awareness of information on labels. Mueller (1991) found that older, more affluent, and better educated people are more likely to use labels to make purchasing choices, and that women are more likely to read labels than men. Wang, Fletcher, and Carley (1995) found that those with higher incomes and those living in non-metropolitan areas are more likely to use labels to make purchasing decisions, though they found no influence of age. Moorman’s (1990)
work indicates that consumers are more likely to use label information when it is presented in an easily processed form, and that more education increases the consumer’s familiarity with ways in which the information is presented.

Evaluating packaged food based on nutritional and health value is a complex task. The NLEA focused consumer attention on unfavorable nutrients (e.g., fat, sodium) more so than positive nutrients (e.g., vitamins) (Balasubramanian and Cole 2002), and consumers typically evaluate favorable and unfavorable nutrients separately (Burton, Garretson, and Velliquette 1999). To navigate this complex task, consumers must use cognitive shortcuts to process the information (Burton, Garretson, and Velliquette 1999), but even when they do the distinction between serving size and package size can be confusing and Pelletier et al. (2004) found that patients consumed 4–6 servings of snack food without realizing it.

Krukowski et al. (2006) found that less than 50 percent of a sample of college students “usually use” food labels compared to two thirds of a community sample. However, a small majority of the college sample (53%) was interested in calorie information at restaurants, compared to 41 percent of the community sample.

In summary, consumers understand that nutrition labels contain useful information and recognize it as a strategy to achieve better health or healthy weight (Borra 2006), but with the prevalence of consuming FAFH, which typically does not contain nutrition labels, this strategy may not be as effective as hoped. Further, existing labels do not take full advantage of the cognitive shortcuts taken by consumers. Labels that make health claims more clear may also be advantageous in changing consumer purchase behavior, as well as motivating the packaged food industry to create healthy products (Philipson 2005).

METHODS

Two hundred (200) first year college students, ages 18–20, from two colleges at a single northeastern university were recruited to participate in a study of “nutrition and food choice.” Subject participation was voluntary. One-third of the participants were recruited at a study information table at first year orientation in June 2005. Interested students left their contact information and were later invited to attend a study orientation session early in the school year, during which time consent forms were signed. The remaining volunteers were recruited when a study team manager visited eight classes in September 2005 to explain the study and answer questions. After this brief-

One section of the survey collected a variety of information about nutrition labeling. Information was collected regarding nutrition label use, including which sections of the label they currently use. Respondents could evaluate the statements with “always,” “sometimes,” “rarely,” or “never.” Information was also collected about whether calorie and nutrition information in a restaurant and cafeteria setting would be used if available. Subjects responded to four statements using a four-point Likert scale, ranging from strongly agree to strongly disagree. Two indices were developed using a summed Likert scale approach. For the use of nutrition labels, five state-
ments were used to create the index (see Table 2). Cronbach’s alpha was calculated at .78 indicating a reliable scale. Removal of any scale item decreased Cronbach’s alpha. To evaluate desire for FAFH labels, four items were used to create the index. Cronbach’s alpha was calculated at .95. Removal of any scale item decreased scale reliability.

ANALYSIS

A frequency analysis of students’ responses to both the DGA intakes and labeling statements was conducted. Just one-third of the sample reported consuming the recommended amounts of at least one of the five major food categories (see Table 2). Even fewer reported consuming recommended amounts of specific vegetables, green and orange, but more reported eating the recommended amount of starchy vegetables. One fifth reported consuming the recommended amounts of fats and oils. However, almost half of the respondents did not know the amount of fat and oils they consumed (by far the highest percent who did not know about a particular food category).

More than two-thirds of the sample reported either sometimes or always using various types of information available on nutrition labels (see Table 3). The highest percentage, 78, reported using serving size amounts.

Approximately one-third of the sample reported they “strongly agree” that they will use nutrition and calorie information in away from home venues (restaurants and cafeterias). When combined with “agree,” two-thirds report they will use the various types of information presented (see Table 4). Three-quarters report they “agree” or “strongly” agree they will use nutrition information in a cafeteria setting if it were provided.

| TABLE 1  |
| Sample Demographic Data |

<table>
<thead>
<tr>
<th>Percent</th>
<th>Female .68</th>
<th>Male .32</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Type (MyPyramid classification)</td>
<td></td>
<td></td>
<td>205</td>
</tr>
<tr>
<td>Sedentary</td>
<td>.36</td>
<td>.38</td>
<td></td>
</tr>
<tr>
<td>Moderately active</td>
<td>.45</td>
<td>.40</td>
<td></td>
</tr>
<tr>
<td>Active</td>
<td>.20</td>
<td>.22</td>
<td></td>
</tr>
<tr>
<td>Activities – Exercise per day (minutes)</td>
<td></td>
<td></td>
<td>205</td>
</tr>
<tr>
<td>Student athlete</td>
<td>.46</td>
<td>.46</td>
<td></td>
</tr>
<tr>
<td>walk for exercise</td>
<td>.32</td>
<td>.34</td>
<td></td>
</tr>
<tr>
<td>Aerobic exercise</td>
<td>.47</td>
<td>.40</td>
<td></td>
</tr>
<tr>
<td>Strength training</td>
<td>.08</td>
<td>.13</td>
<td></td>
</tr>
<tr>
<td>Stretching</td>
<td>.09</td>
<td>.05</td>
<td></td>
</tr>
<tr>
<td>Sedentary Behavior – Television</td>
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<td></td>
<td>200</td>
</tr>
<tr>
<td>&lt; 1.5 hours per day</td>
<td>.74</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td>1.5–3 hours per day</td>
<td>.09</td>
<td>.17</td>
<td></td>
</tr>
<tr>
<td>&gt; 3–4.5 hours per day</td>
<td>.04</td>
<td>.03</td>
<td></td>
</tr>
<tr>
<td>&gt; 4.5 hours per day</td>
<td>.03</td>
<td>.02</td>
<td></td>
</tr>
<tr>
<td>Sedentary Behavior – Computers use</td>
<td></td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>&lt; 1.5 hours per day</td>
<td>.06</td>
<td>.09</td>
<td></td>
</tr>
<tr>
<td>1.5–3 hours per day</td>
<td>.41</td>
<td>.39</td>
<td></td>
</tr>
<tr>
<td>&gt; 3–4.5 hours per day</td>
<td>.31</td>
<td>.37</td>
<td></td>
</tr>
<tr>
<td>&gt; 4.5–6 hours per day</td>
<td>.12</td>
<td>.13</td>
<td></td>
</tr>
<tr>
<td>&gt; 6 hours per day</td>
<td>.03</td>
<td>.02</td>
<td></td>
</tr>
<tr>
<td>Smoker</td>
<td>.05</td>
<td>.06</td>
<td>200</td>
</tr>
<tr>
<td>Overweight</td>
<td>.17</td>
<td>.20</td>
<td>205</td>
</tr>
</tbody>
</table>

* Mean

b Standard deviation
A cross tabulation was calculated for use of label information and students’ reported food consumption. All analyses were conducted using SPSS 12.1 using the chi square statistic. The number of respondents varies across the bivariate analyses due to small differences in the number of subjects who refused to answer or reported they did not know an answer to a particular statement or question.

Because the two calculated scales are summated Likert scales, they remain ordinal measures. Therefore, three groups of students were created for each scale based on sample tertile. The use of nutrition label information scale includes “higher use,” “medium use,” and “lower use.” The projected use of restaurant labels scale includes “likely to use,” “somewhat likely to use,” and “less likely to use.” It is important to note that the median on the projected use of FAFH labels scale is eight. (“agree” they would use FAFH labels). However, the scale is skewed, with a full 25 percent of the highest 33 percent strongly agreeing they would use FAFH labels. On the other end of the scale, of the lowest third, only 8 percent strongly disagreed that they would use FAFH labels. All but two of the middle third of the sample agreed that they would use FAFH labels. Thus, there is some indication, even with the formation of three distinct groups based on percentiles of the sample, that FAFH labels would be used.

### TABLE 2
Student Reports of Food Intake Compared to Recommended Amounts (%)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Do not Eat</th>
<th>Less</th>
<th>Recommended</th>
<th>More</th>
<th>Don’t Know</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>1.1</td>
<td>46.2</td>
<td>35.7</td>
<td>14.8</td>
<td>2.2</td>
<td>182</td>
</tr>
<tr>
<td>Vegetables</td>
<td>2.1</td>
<td>42.4</td>
<td>35.1</td>
<td>18.3</td>
<td>2.1</td>
<td>191</td>
</tr>
<tr>
<td>Dairy</td>
<td>2.5</td>
<td>35.0</td>
<td>35.5</td>
<td>23.9</td>
<td>3.0</td>
<td>197</td>
</tr>
<tr>
<td>Grain</td>
<td>.5</td>
<td>10.1</td>
<td>34.7</td>
<td>45.2</td>
<td>9.5</td>
<td>199</td>
</tr>
<tr>
<td>Protein</td>
<td>3.5</td>
<td>44.9</td>
<td>31.8</td>
<td>16.7</td>
<td>3.0</td>
<td>198</td>
</tr>
<tr>
<td>Whole Grains</td>
<td>1.5</td>
<td>25.5</td>
<td>33.7</td>
<td>18.9</td>
<td>20.4</td>
<td>196</td>
</tr>
<tr>
<td>Oils</td>
<td>.5</td>
<td>24.4</td>
<td>18.9</td>
<td>14.4</td>
<td>41.8</td>
<td>200</td>
</tr>
<tr>
<td>Dry peas and beans</td>
<td>13.6</td>
<td>62.6</td>
<td>10.6</td>
<td>4.5</td>
<td>8.6</td>
<td>198</td>
</tr>
<tr>
<td>Green vegetables</td>
<td>3.5</td>
<td>33.3</td>
<td>28.3</td>
<td>22.7</td>
<td>12.1</td>
<td>198</td>
</tr>
<tr>
<td>Orange vegetables</td>
<td>4.0</td>
<td>48.5</td>
<td>28.0</td>
<td>10.0</td>
<td>9.5</td>
<td>200</td>
</tr>
<tr>
<td>Starchy vegetables</td>
<td>3.0</td>
<td>27.6</td>
<td>36.2</td>
<td>13.6</td>
<td>19.6</td>
<td>199</td>
</tr>
<tr>
<td>Calories</td>
<td>–</td>
<td>7.5</td>
<td>48.3</td>
<td>35.1</td>
<td>6.8</td>
<td>200</td>
</tr>
</tbody>
</table>

### TABLE 3
Percent of Sample Who Currently Use Nutrition Label Information

<table>
<thead>
<tr>
<th>Statement</th>
<th>Always</th>
<th>Sometimes</th>
<th>Rarely</th>
<th>Never</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>I use nutrition information</td>
<td>25.6</td>
<td>45.7</td>
<td>17.6</td>
<td>11.1</td>
<td>199</td>
</tr>
<tr>
<td>I use the list of ingredients</td>
<td>13.5</td>
<td>46.0</td>
<td>34.5</td>
<td>6.0</td>
<td>200</td>
</tr>
<tr>
<td>I use phrases such as low fat</td>
<td>17.6</td>
<td>46.2</td>
<td>29.6</td>
<td>6.5</td>
<td>199</td>
</tr>
<tr>
<td>I use serving size amounts</td>
<td>39.0</td>
<td>39.5</td>
<td>16.0</td>
<td>5.5</td>
<td>200</td>
</tr>
<tr>
<td>I look for amount of sugar in beverages</td>
<td>29.0</td>
<td>42.0</td>
<td>21.2</td>
<td>7.8</td>
<td>193</td>
</tr>
<tr>
<td>Summated scale (five items)</td>
<td>10.70a</td>
<td>(3.27)b</td>
<td>10.00c</td>
<td></td>
<td>191</td>
</tr>
</tbody>
</table>

a Mean; b Standard deviation; c Median
More respondents who utilize nutrition label information report meeting the DGA with respect to consumption of fruits, dairy, and dry peas and beans. More of these respondents also report consuming the recommended amount or less of oils, protein, and calories and the recommended amount or more of oils. More frequent ("higher") users of nutrition labels in general choose better diets in and away from home setting (dining hall), even though there currently are no labeling requirements (prepackaged foods for resale are labeled according to NLEA requirements). More “higher users” report consuming a diet that more closely follows the DGA. Therefore, use of currently available nutrition labels does seem to translate into healthier eating behaviors away from home, despite the fact that labeling is not required. However, even in the “higher use” group the percentage reporting meeting the DGA is still under 50 percent. Recall that a third or less of the entire sample reports meeting the DGA for anyone food category (see Table 2).

Labeling alone will not likely transform the American population into DGA followers, but it may help. An additional analysis provided insight (see Table 6) as we found that of those who are in the higher user group for nutrition label information, 71 percent are also in the “more likely to use” FAFH labels. People who use current nutrition label information will likely continue to use it in FAFH settings. However, this comprises only 20 percent of the total sample.

If the definition of probable users of label information is expanded to the “somewhat likely to use” FAFH labels combined with the higher and medium label use groups, a majority of people, 67 percent, are likely to utilize at least some FAFH label information if it were available. Only one-quarter of the sample falls into the lower use of nutrition labels and least likely to use FAFH nutrition labeling group. This 25 percent will likely never benefit from FAFH labels unless some other policy initiatives, such as education, are recommended along with labeling.

### DISCUSSION

This study shows, that in one college student sample, people who currently use nutrition label information do transfer that knowledge to decisions at FAFH venues. We do not yet know whether providing nutrition information at these venues will further increase the percentage of people who meet the DGA for various food categories. It seems a logical jump to say that it is likely that providing the information could help them make better choices.

Labeling appears to be a useful policy strategy, and, based on this analysis, current NLEA packaged food labeling helps as many as 20 percent who already use nutrition labels and strongly desire FAFH labels to make decisions. The larger group, some 57 percent of individuals who agree they will utilize FAFH labels and who are at least sometimes using nutrition labels in other venues, are not impacted by current NLEA labels, but our research suggests that they would use FAFH labels to make healthier choices. Thus, nutritional labeling of FAFH has the potential to reach over three-quarters of the people.

Some study limitations must be noted. First, this is one controlled experiment including first year college stu-
<table>
<thead>
<tr>
<th></th>
<th>Higher Use</th>
<th>Medium Use</th>
<th>Lower Use</th>
<th>Test Statistic</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fruit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less</td>
<td>26.8</td>
<td>53.5</td>
<td>58.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This amount</td>
<td>43.9</td>
<td>31.0</td>
<td>36.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>29.3</td>
<td>15.5</td>
<td>5.2</td>
<td>$X^2 = 15.85^{***}$</td>
<td>170</td>
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<tr>
<td><strong>Vegetables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less</td>
<td>41.3</td>
<td>42.3</td>
<td>51.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This amount</td>
<td>34.8</td>
<td>35.2</td>
<td>36.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>23.9</td>
<td>22.5</td>
<td>11.7</td>
<td>$X^2 = 3.59$</td>
<td>177</td>
</tr>
<tr>
<td><strong>Dairy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less</td>
<td>36.2</td>
<td>45.3</td>
<td>35.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This amount</td>
<td>44.7</td>
<td>37.3</td>
<td>25.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>19.1</td>
<td>17.3</td>
<td>39.0</td>
<td>$X^2 = 10.93^{**}$</td>
<td>181</td>
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<td><strong>Grains</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less</td>
<td>14.3</td>
<td>9.6</td>
<td>12.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This amount</td>
<td>28.6</td>
<td>28.6</td>
<td>40.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>57.1</td>
<td>45.2</td>
<td>47.3</td>
<td>$X^2 = 3.26$</td>
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</tr>
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<td><strong>Protein</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
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<td>Less</td>
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<td>50.7</td>
<td>40.3</td>
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<td>More</td>
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<td>12.0</td>
<td>29.0</td>
<td>$X^2 = 11.38^{**}$</td>
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<td><strong>Whole Grains</strong></td>
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<td></td>
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<td>Less</td>
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<td>28.6</td>
<td>51.0</td>
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<td></td>
</tr>
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<td>This amount</td>
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<td>38.8</td>
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</tr>
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<td>$X^2 = 13.04^{***}$</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Less</td>
<td>58.1</td>
<td>39.1</td>
<td>32.4</td>
<td></td>
<td></td>
</tr>
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<td>35.5</td>
<td>41.3</td>
<td>23.5</td>
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<td>More</td>
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<td>111</td>
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<td><strong>Dark Green Vegetables</strong></td>
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<td>Less</td>
<td>45.5</td>
<td>33.8</td>
<td>51.0</td>
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</tr>
<tr>
<td>This amount</td>
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<td>25.5</td>
<td></td>
<td></td>
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<tr>
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<td>25.4</td>
<td>23.5</td>
<td>$X^2 = 5.66$</td>
<td>166</td>
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<td><strong>Orange Vegetables</strong></td>
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<td>Less</td>
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<td>11.1</td>
<td>$X^2 = 4.21$</td>
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<td><strong>Dry Peas and Beans</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Less</td>
<td>72.1</td>
<td>87.5</td>
<td>86.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This amount</td>
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<td>11.1</td>
<td>3.4</td>
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<tr>
<td>More</td>
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<td>1.4</td>
<td>10.3</td>
<td>$X^2 = 14.24^{***}$</td>
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<td><strong>Starchy Vegetables</strong></td>
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</tr>
<tr>
<td>Less</td>
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<td>39.7</td>
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<td>More</td>
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<td>22.4</td>
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<td>Less</td>
<td>53.7</td>
<td>25.4</td>
<td>14.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This amount</td>
<td>17.1</td>
<td>32.2</td>
<td>28.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More</td>
<td>29.3</td>
<td>42.4</td>
<td>57.1</td>
<td>$X^2 = 17.31^{***}$</td>
<td>142</td>
</tr>
</tbody>
</table>
students who are required to participate in a dining plan. It cannot be generalized past this group, or to any other age group. Second, the sample has self reported their consumption. They may actually be eating more or less of any food category. Future research is needed using actual labeling of FAFH to identify whether providing the information will increase the percentage of people who report meeting the DGA for various food categories.

No policy recommendation is a cure. And, just as our obesity epidemic is multidimensional, simply requiring labeling of FAFH will not solve the problem. However, it appears based on this research, for the future consumers of America that are comprised of young college students, nutritional labeling of FAFH is one step in the right direction. It is likely one tool in a toolbox of many. While the Keystone Forum on away from home foods suggests the labeling of restaurant foods is a strategy that can help combat weight gain and obesity, they also suggest that changes need to be made in the marketing of foods and nutrition education must be an integral component of any policy plan (Keystone Center 2006).

### TABLE 6

<table>
<thead>
<tr>
<th>Nutrition label use/desire for FAFH labeling</th>
<th>Higher Use</th>
<th>Medium Use</th>
<th>Lower Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likely to use FAFH label information</td>
<td>70.8</td>
<td>36.6</td>
<td>5.4</td>
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<tr>
<td>% of total sample</td>
<td>19.4</td>
<td>14.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Somewhat likely use FAFH label information</td>
<td>22.9</td>
<td>40.8</td>
<td>21.4</td>
</tr>
<tr>
<td>% of total sample</td>
<td>6.3</td>
<td>16.6</td>
<td>6.9</td>
</tr>
<tr>
<td>Somewhat unlikely to use FAFH label informa</td>
<td>6.3</td>
<td>22.5</td>
<td>73.2</td>
</tr>
<tr>
<td>% of total sample</td>
<td>1.7</td>
<td>9.1</td>
<td>23.4</td>
</tr>
</tbody>
</table>

### REFERENCES


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THE INFLUENCE OF DEATH ATTITUDES AND KNOWLEDGE OF END OF LIFE OPTIONS ON ATTITUDES TOWARD PHYSICIAN-ASSISTED SUICIDE

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SUMMARY

Research has suggested that there are significant differences in levels of support for end of life options across distinct groups. Several studies have provided evidence that demographic, cognitive, and attitudinal variables may play a very important role in predicting end of life attitudes and ultimately decision making (Butt, Overholser, and Danielson 2003; Blevins, Preston, and Werth 2006; Worthen and Yeatts 2000–2001). However, although death attitudinal variables have been considered in a variety of contexts, few studies have considered the relationship between death attitudes and the attitudes and knowledge related to end of life alternatives (Rogers 1996; Cicirelli, MacLean, and Cox 2000).

Attitudes toward PAS merit attention since they could influence the legislation on this topic, how patients are cared for in the future, and the decisions that individuals may make for themselves or their loved ones. The purpose of this paper is to provide the results of a study that examines individuals’ knowledge and attitudes related to physician-assisted suicide in a U.S. state in which PAS is not legal. Further, the study considers components of individual death attitudes as they are related to PAS knowledge and attitudes. A model predicting attitudes toward PAS is developed. The health care policy and theoretical implications of the study are then discussed.

Methodology

The data presented here were derived from responses from 300 non-student adults to a geographically stratified household research mail survey in a southern state. Three primary scales of interest were included, as well as other demographic and attitudinal items. Attitudes toward physician-assisted suicide were measured using a scale developed by Emanuel et al. (1996). The instrument employs four vignettes describing a patient with terminal cancer. Each vignette presented a different set of circumstances. Respondents were asked (yes or no) if it was “all right” for the physician, at the patient’s request, to perform various medical procedures that could end the patient’s life.

Knowledge of options at the end of life was measured using an instrument adapted from Silveira et al. (2000). Specifically, the survey consists of a vignette that follows a hypothetical cancer patient through a series of medical events. In the vignette, both the patient and his doctor must make several decisions regarding alternative decisions that the patient and doctor might make. After each section of the vignette, respondents were asked questions as to whether it was legal for a physician to perform certain medical procedures, and whether a patient has the legal right to request and receive certain procedures, if it could result in the end of the patient’s life.

Attitudes toward death were measured using the Death Attitude Profile-Revised (DAP-R) (Wong, Reker, and Gesser 1994). This standardized scale consists of 32 items that measure five dimensions of death attitudes: Approach Acceptance, Escape Acceptance, Neutral Acceptance, Fear of Death, and Death Avoidance. Death acceptance consists of the cognitive awareness of one’s own finitude and the affective reaction to this knowledge. Three types of death acceptance are measured, while the fear of death and the reaction to this fear (death avoidance) are also integrated.

Individual demographic data as well as a 2-item measure of self-assessed health status (Moorman and Matulich 1993) were also gathered.

Results

Sixty-one percent of respondents correctly understood that patients in their state can legally refuse life-saving or life-extending chemotherapy, but were significantly less knowledgeable with respect to a patient’s legal right to refuse hydration or nutrition as medical treatment. Respondents were even less knowledgeable about the withdrawal of treatment, with one third correctly responding that patients in the state can legally withdraw life-sustaining treatment in all cases.

In a hierarchical regression, demographic variables (age, gender, levels of education and income, race, religious practice, and health status) significantly predicted posi-
tive attitudes toward PAS ($\Delta R^2 = .101, p = .000$). Knowledge of end of life options was also a significant predictor ($\Delta R^2 = .034, p = .000$), in a negative direction. Considered together, the components of the DAP-R increased the predictive ability of the model ($\Delta R^2 = .081, p = .000$). Of the five DAP-R subscales, Approach Acceptance was negatively related to positive PAS attitudes ($\beta = -.332, p = .000$). Neutral Acceptance ($\beta = .118, p = .052$) was a significant and positive predictor, while Death Avoidance was positive and marginally significant ($\beta = .127, p = .074$). The model explained a total of 22.6 percent of the variance in attitudes toward physician assisted suicide.

**Discussion**

The results from this study provide evidence of factors that are associated with support for physician-assisted suicide. First, specific knowledge about PAS was a significant predictor of attitudes toward PAS. While a large proportion of respondents did not know which end of life practices were legal, respondents who were more knowledgeable tended to express less support for PAS. This is consistent with studies that have provided evidence that the less physicians know about end-of-life care, the more they favor assisted suicide or euthanasia (Emanuel et al. 2000b; Schildmann et al. 2006; Duckett et al. 1992).

Second, increasing levels of Fear of Death and Neutral Acceptance were both related to more favorable attitudes toward PAS, and neither was related to knowledge of PAS. As individuals’ awareness of the limits of mortality increase, and as they tend to view death as a part of life, their approval of ending life through medical means increases.

Future research may be encouraged undertake longitudinal studies in order to examine behavioral intention with respect to PAS attitudes as they may be related to choices. Along the same lines, future researchers will need to be clear in interpreting their results with respect to individual attitudes about end of life options whether for self (Cicirelli, MacLean, and Cox 2000) or for someone else (Emanuel et al. 1996). Future research may also consider more fundamental cross-cultural attitudes toward death as predictors of attitudes toward PAS. References provided upon request.

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“PLAYING WITH” FOOD: HOW MARKETERS TARGET CHILDREN ONLINE

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Yoonhyeung Choi, Michigan State University, East Lansing
Elizabeth Taylor Quilliam, Michigan State University, East Lansing
Richard T. Cole, Michigan State University, East Lansing

SUMMARY

Introduction

The United States has experienced a dramatic increase in childhood obesity, a serious problem associated with numerous health and social consequences that often continue into adulthood, over the past two decades (American Obesity Association 2006). Multiple factors have been found to contribute to the childhood obesity epidemic, including genetic, cultural, socioeconomic, and behavioral components (Montague 2003). Recently, whether food advertising plays a role in childhood obesity has been debated heavily among public policy makers and researchers (Borzekowski and Robinson 2001; Harrison and Marske 2005; Hastings et al. 2003; Institute of Medicine of the National Academies 2006; Lowry et al. 2002).

With the advent of the Internet, food marketers have introduced new advertising tactics aimed at children (Moore 2006). One of the most interactive new techniques is advergames (Moore 2006), custom-built, online games specially designed to promote a company’s brands. The potential danger of advergames lies in their blurring the line between entertainment and commercial persuasion, compounded by the inability of children to differentiate between the two. (Wilcox et al. 2004). The purpose of this study is to examine how and to what extent food marketers use advergames to promote their brands to children, and to explore the public policy implications.

Methods

This study analyzed the content of children’s advergames appearing on top food marketers’ websites between July and September 2006. Two research assistants first visited the websites of the top 25 food companies in each of six major food categories (Refrigerated & Frozen Foods 2006). Among the 150 food companies, 38 were found to offer 105 different brands targeting children. The research assistants then revisited the websites of those brands, finding 632 games. A random number generator was then employed to select 46 percent (N = 290) of the games for content analysis. Thirty-nine games were dropped from the subsequent analyses because they could not be located later, leaving a total of 251 games. After extensive training sessions, the two coders independently coded all the selected games, with an overall coefficient of reliability of 92 percent. All disagreements were reconciled after revisiting all the games and discussion between the coders.

Results

The study revealed that top-selling food marketers were heavily using advergames to target children. Consistent with recent research (Moore 2006), 87.6 percent (N = 220) of the games studied were branded advergames. Not surprisingly, candy/gum and sugar-coated cereals appeared most frequently. Such extensive use of advergames by food marketers should be of concern to health care entities, consumer advocates, and policy makers. Given that advergames are an engaging form of advertising presented as games, younger game players, especially, may not recognize the persuasive messages incorporated into them. Additionally, although older children may recognize the persuasive nature of advergames, they may not be able to resist the persuasive impact of these messages because of the dominant recreational experience of advergame playing.

As an illustration of brand presence, we found that 54.3 percent of the advergames integrated brand identifiers as billboard-style ads. Additionally, 67.1 percent of the advergames used food products as “active game components” necessary for game play. These food objects were also often incorporated into games as “rewards” collected to increase game scores. The imposition of these symbols on game players may persuade children that the food product is helping them achieve their goals, improve their status or acquire extra strength in cyberspace, if not in the real world.

Although their efforts are seen to be of limited value by many consumer groups, the Children’s Food and Beverage Advertising Initiative, a voluntary, self-regulatory program created by the CBBB with 10 of the U.S.’s largest...
food and beverage companies, commits member companies to efforts to revise their marketing strategies, promote healthy food options, and incorporate healthy lifestyle messages into advergames (Martin 2006). Yet our findings revealed that, at the time of this study, the functions served by advergames were dominated by “simply having fun” (51.4%) and “having fun with the foods” (47.3%). Despite the educational potential of such interactive games, only 2.7 percent of the games we analyzed attempted to teach children about nutritional and health issues. We see numerous opportunities for food marketers to take major strides toward improving the health of America’s children by developing educational games to teach children about nutrition, about the life-threatening consequences of obesity, and about healthy lifestyles.

This study, replicating and extending prior research (Moore 2006), adds to what we know about how food marketers target children on the Internet. Given that it is the collective nature of messages that ultimately influence vulnerable consumers such as children (Wolburg 2005), understanding the breadth and nature of the presence of advergames is a necessary step toward understanding the effects of such tactics on children specifically, and society in general. Further, this study provides a foundation for consideration of how to modify, and subsequently monitor, the implementation of CARU guidelines to accommodate new emerging advertising techniques, as recommended by the Federal Trade Commission and the Department of Health and Human Services (2006). References available upon request.

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UNDERSTANDING RESTRAINT MINIMIZATION POLICY IN THE CONTEXT OF SOCIAL MARKETING

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SUMMARY

The Omnibus Budget Reconciliation Act of 1987 required nursing homes to reduce the use of physical restraints on residents. According to citation rates for sub-standard quality of care, some long-term care (LTC) facilities have a continuing problem with restraint misuse long after the Act’s implementation (Centers for Medicare and Medicaid Services 2000, 2005). The scope of the problem ranges from citations for restraint-related individual situations to chronic quality of care problems (Castle 2002; Office of the Inspector General 1999). Although a wealth of health care literature suggests that restraint minimization (RM) policy should and can be implemented, caregivers may not agree with policy goals (Sundel, Garrett, and Horn 1994) or use restraints in accordance with the policy’s implementation guidelines (Schnelle, Simmonds, and Ory 1992). Although certain LTC stakeholders perceive the policy to have a high degree of value, others appear reluctant to adopt or “buy into” policy-related behaviors.

If policy is to be “sold,” we need to know more about why targets “buy.” The product may then be positioned relative to the distinct value definitions held by different target markets. Social marketing is “the use of marketing techniques to influence a target market to voluntarily accept, reject, modify, or abandon a behavior…” (Kotler, Roberto, and Lee 2002). As it is not an efficient use of resources to “preach to the choir,” social marketing targets often are those least likely to support the behavioral change (Bloom and Novelli 1981). The study presented here profiles targets in terms of their job-related characteristics and policy-related concerns, and then examines the relationship between these issues and preference for the policy product.

Method

Caregiver employees of 16 facilities participating in a restraint minimization demonstration project were surveyed. From the survey conducted at the start of the project, 904 responses were received; 782 caregivers returned surveys conducted toward the project’s conclusion.

Product preference measurements asked respondents to consider the role of different types of risks in their decision to “buy into” the policy or not. We investigated how caregivers could be segmented with respect to product preference, and investigated what product attributes (non-monetary costs and benefits associated with the policy) stood out as important to different segments. Logistic regression was used to analyze how views about product attributes influenced perceptions of the policy’s value.

Results

In both survey periods, occupation (0.037, 0.000) and shift (0.001, 0.000) appear to be valid ways to segment the RM market. In light of the non compliance problem, it is of interest to note that staff with the most direct resident contact were significantly less likely to buy into RM policy after policy implementation than before (p = 0.011). Issue related to self-interest, facility resources, and patient risks have varying levels of importance for different segments. The one area that consistently and positively influenced whether the policy product was perceived as valuable was whether the caregiver believed that she would feel better about her job as a result of policy implementation (pre- and post- p = 0.000). Odds ratios suggest that emphasis on how the caregiver may derive greater job satisfaction due to the policy is expected to produce the greatest positive change in policy purchase likelihood.

Conclusions

A shift in the policy implementation mindset from one rooted in education (centered on the policy maker’s perceptions of what is important) to one rooted in social marketing (centered on the target market’s perceptions of the most important policy-related issues) may be worthy of future consideration. The product, here, is behavioral change; policy makers are asking LTC caregivers to buy into a change in the way that restraints are used on residents. Caregivers aren’t buying the product and that situation is causing problems for, most importantly, residents and, secondarily, the facilities these residents live in. The reason behind caregivers not buying may well be that policies are poorly marketed.
There does not appear to be a “mass market” for RM policy although caregivers are often treated as one large, undifferentiated population. Medicare Quality Improvement Organizations are implementing a project aimed at correcting the non-compliance problem and achieving a restraint use minimum through evoking a culture change in nursing homes (Centers for Medicare and Medicaid Services Survey and Certification Group 2004). It is hoped that the results of this current study may prove useful to this effort in that it provides information on who the different targets are, why they buy (or do not) and what can be done within the social marketing mix to motivate purchase. References available upon request.

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CREDIT CARDS AND THE INTERNATIONAL STUDENT: ETHICAL IMPLICATIONS FOR EDUCATIONAL AND FINANCIAL INSTITUTIONS

Caroline Lego Munoz, Fairleigh Dickinson University, Madison
Natalie T. Wood, Saint Joseph’s University, Philadelphia
Helene Cherrier, The University of Sydney, Australia

SUMMARY

In the 2005/2006 school year, there were 564,766 international students enrolled at United States educational institutions (IIE 2006). International students and their dependents provide substantial monetary support (e.g., $13.9 billion dollars in 2004–2005) (NAFSA 2006) and have filled job vacancies within the U.S. economy. Although international students are valuable resources that need to be supported and protected, there appears to be a lack of public policy specifically aimed at educating them on the idiosyncrasies of the United States’ financial institutions and protecting them from misunderstanding the use of American credit cards. When compared with U.S. student credit card holders, international students have a unique set of obstacles potentially placing them in higher class of vulnerability. To the authors’ best knowledge, almost no research has addressed international students’ credit card knowledge and usage (for notable exception see Makela, Pujavat, and Olson 1993). It is through this research that the authors hope to bring attention to the specific needs of this group, fueling the need for further public policy reform.

To explore international students’ relationship with money and in particular, credit cards, a projective technique (i.e., collage on “what money means to me”) followed by semi-structured depth interviews were performed. In total, fifteen undergraduate international students, aged 18–24, representing a variety of socioeconomic backgrounds participated. They were interviewed for approximately 45 minutes. Respondents were recruited from the Northeastern United States and represented 12 countries. Each informant had been residing in the United States for at least three months. Analysis was conducted utilizing a triangulation method in which three researchers independently reviewed the collages and tapes/transcripts of each interview to identify major themes within and between respondents. After independent analysis the researchers collaborated and collectively decided on the prominent emergent issues.

Only five of the respondents possessed credit cards. These results contrast the findings of Makela, Pujavat, and Olson (1993) in which they found that 82.4 percent of graduate international students surveyed possessed credit cards. In fact, some of our respondents stated that even though they would like and/or needed a credit card, they were unable to receive one, as a result of their international student status. Other international students claimed to not have a credit card by choice. For some of these students the concept of credit was unfamiliar. Those students from less developed countries didn’t see the need for credit cards. Credit cards were difficult to obtain in their country and for many in their culture the idea of being in debt was negatively viewed. Several respondents were also fearful of the responsibility that came with a credit card. Some felt that they couldn’t control themselves. For those individuals that did express a desire to eventually get a credit card it often stemmed from needing access to products (i.e., cell phones, renting an apartment, purchasing a home/car) that mandated that they start a credit history.

Overall, respondents exhibited limited credit card knowledge. Consistent with previous research (Braunsberger, Lucas, and Roach et al. 2005; Chen and Volpe 1998; Makela, Pujavat, and Olson 1993) our respondents were unsure about credit card interest rates and for some the concept of an individual credit history was either new, or something that they knew little about and did not fully understand. What knowledge the international students did glean about credit cards was typically derived from attending on campus information recruitment sessions conducted by representatives of a local bank. In some cases respondents were educated by other individuals that had experience with the U.S. financial system and had impressed on them the importance of having a credit history.

For a number of our respondents, studying in the U.S. was their first experience with handling their personal finances. In their home countries, they relinquished their
financial decisions to their parents. Thus, credit cards were one of many new financial decisions they encountered. A critical observation was that all of our respondents that attended an on-campus orientation session with a local bank all choose to open their accounts (including credit cards) with the said institution. None of them considered shopping around to compare the offerings of other institutions. Beyond the bank having first contact with the students, other reasons for their decision was the geographic proximity of the bank to their school/home and a lack of knowledge of other institutions available. Unlike U.S. students, many international students do not own automobiles and most rely on public or pedestrian means of transportation thereby reducing the size of their consideration set and possibly placing them at a disadvantage.

Universities and colleges need to recognize the importance of educating international students about the United States’ financial infrastructure and acknowledge their unique needs. Such educational programs need to take place in the beginning of an international student’s time at an institution and they should not rely solely on banks/credit card companies to educate their students. Providing un-biased take-away handouts and website information would be beneficial. Moreover, educational institutions need to monitor bank and credit card companies’ contact. Unfortunately, many college campuses are creating exclusive deals with banks – prohibiting other banks from recruiting on campus (Chu 2006). By engaging in such practices they are to some degree failing to protect the welfare of their international customers. Instead, schools should invite multiple banks and/or credit card companies to the campus. Furthermore banks and credit card companies need to view international students as vulnerable consumers that they have an ethical and moral responsibility toward. Equipping international students with correct and timely information on credit cards and U.S. financial infrastructure may have the potential to increase their satisfaction living in U.S., prevent them from going into unnecessary debt, and facilitate their credit history. Additional research on appropriate educational programs for international students on financial knowledge, credit card usage and the U.S. financial infrastructure is needed. References available upon request.

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THE UNINTENDED IMPACT OF THE FEAR AND SEXUAL APPEALS IN PUBLIC HEALTH CAMPAIGNS: A STUDY OF A DEVIANT COMMUNITY

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SUMMARY

Through the years, the general public has seen various public health advertising campaigns addressing pivotal societal issues. One campaign, “The Truth” anti-smoking program, has been visible across multiple media vehicles targeting young adults with success (Farrelly et al. 2005). The mission of public health campaigns is to educate and alter consumers’ attitudes through communication devices. The mission, according to Kim Witte, is achieved by “manipulate(ing) people into practicing healthy behaviors” (1992). In order to manipulate, public health officials have employed various persuasive techniques, such as the fear and sexual appeals.

Inadvertently, in their attempt to influence behavior, unintentional consequences of the health communication messages emerged (Pollay 1996). One such consequence is the emergence of a deviant subculture whereby a shared belief develops to actively resist the communication and behave contrary to the message (Clinard and Meier 2001). Since a significant percentage of public health messages include mortality issues, the importance of studying indirect influencing factors are important to prevent misinterpretation, as well as to better understand why a deviant subculture could materialize (Witte 1992).

One public health campaign needing analysis is HIV/AIDS prevention and transmission. According to the Kaiser Family Foundation, the greatest public health challenge today is HIV/AIDS (James et al. 2005). Of concern is the growth of HIV infection across the hardest hit segment of the epidemic, gay men (CDC 2001). One segment in the homosexual community that has emerged is one focused on giving and receiving the HIV virus. Advertisers need to understand this culture and its cues in order to effectively decode and encode prevention and transmission messages (Grier and Brumbaugh 1999).

Method

For the purpose of understanding the unique community and their behaviors, an interpretative research paradigm was used. The use of web-based depth interviews, a netnography, and face-to-face depth interviews were key components of this study. The Internet was used because it provided a tool for similar people to meet and has become the choice for many gay men (Gauthier and Forsyth 1999). The bareback community has utilized these particular websites as a means of fostering community (Muniz and O’Guinn 2001) and as a form of self-presentation (Schau and Gilly 2001). In addition, these netnography websites enabled the researchers to gain a better insight into this community (Kozinet 2002).

The interviews provided the background and thoughts that were needed to better grasp the cognitions and actions of the targeted base. Based on fifty preliminary computer interviews, the researchers found convergence was achieved when subjects were sorted via a two tiered process of safe-sex verses bareback sex followed by their bareback sex identification. When the personal interview was completed, data from the interview was coded. To obtain greater depth, fifteen selected subjects who engaged in computer interviews were asked to participate in face-to-face interviews.

Results

The deviant behavior of barebacking among a subculture of gay males can be an indirect consequence of the use of fear and sexual appeals in HIV/AIDS campaigns. Based on interviews and the netnography, we believe this deviant behavior emerged based on the following reasons:

The use of the fear appeal that incorporated a severe personal threat may trigger maladaptive behavior among the target group. The fear appeal in HIV/AIDS campaigns produced a “reverse reaction” (Rosser 1991). The reverse reaction was engaging in the behavior the message specifically warns against. By emphasizing death and the inevitability of contracting HIV, many felt a sense of helplessness and began to engage in unprotected sex (Devos-Comby and Salovey 2002). The severe threat became too personally relevant to the subject to conform his/her behavior to the message and they react contrary.
The use of a severe fear appeal can be associated with a valued minority status. The fear appeal created a “super minority” complex via labeling theory (Lemert 1951; Grov 2004). The intended audience, gay men, viewed infection and unprotected sex as a secondary deviant behavior, causing it to become valued and desired (Grov 2004).

The use of the fear appeal in public health campaigns may result in greater interest – and thus participation – in the forbidden activity. Public health campaigns and advertisements stressed the taboo aspect of unprotected sex. Forbidden fruit theory states that the taboo nature of an activity can create positive arousal (Pechmann and Shih 1999).

When the fear appeal is not strong enough and posits an intended response to the threat, the targeted group may not heed the warnings. When the fear appeal did not reach a minimum level of fear arousal, the receivers of the message did not activate the danger but activated other messages. According to terror management theory (TMT), individuals have an anxiety of death and a strong human need for self-preservation (Greenberg et al. 1986). For HIV-positive people, seeing other positive people alive and engaging in unprotected sex causes them to feel more relieved and less of their mortality, thus increasing their self-esteem.

The utilization of a sexual appeal in public health campaigns may increase engagement in the feared behavior. Sexual appeals have resulted in the emergence of a chic bareback/HIV subculture. HIV/AIDS victims are portrayed as “glamorous, sexy and cool” (Crain 1997) in order to not offend current sufferers. The persuasive appeal became focused on peripheral elements, while neglecting the central components (Petty and Cacciopo 1985).

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EXPLORING MARKETING’S ROLE IN PERPETUATING RESIDENTIAL SEGREGATION: EVIDENCE FROM NORTHEAST FLORIDA’S NEW COMMUNITIES

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SUMMARY

Residential segregation by race persists in the post-Civil Rights era, as does segregation by class, family status and age (Charles 2003). Although housing discrimination is now illegal, and overt forms are increasingly rare, more subtle forms persist (Dawkins 2004; Haubert 2005; Massey and Lundy 2001; Pearce 1979). Buyers’ and renters’ preferences for homogeneous neighborhoods also play an important role in segregation’s perpetuation (Quillian 2002), but much remains to be learned about how those preferences are matched to available housing stock. For instance, how do households wishing to engage in white flight know just where to flee?

Marketing and advertising plays an important role in connecting buyers and renters to available housing. The potential of advertisements to become instruments of discrimination is reflected in policies prohibiting unequal access to housing (cf., Achtenberg 1995). Advertisements must not describe a community’s existing residents in racial terms, nor may they express that a particular type of family is well suited for a property. Policy and case law now acknowledge that the symbolic content of advertisements, specifically the models used therein, might have the same exclusionary impact as the text. Williams, Qualis, and Grier (1995) investigated this possibility in experimental research on blacks’ and whites’ responses to apartment advertisements that featured white or integrated models, finding that to some degree, blacks found all-white advertisements off-putting, and that both blacks and whites preferred integrated ads.

This research extends such questions in important ways. First, it looks at materials used to market new homes for sale, rather than rental apartments. Not only do buyers consider some different criteria than renters, for new housing, advertisements may provide the only impressions of communities available before homes are built and occupied. Second, this work examines the diverse materials homeseekers would encounter as they evaluate new communities.

Research was conducted in the Jacksonville, Florida metropolitan area’s burgeoning new home market. Data include billboards and other signs, newspaper ads, brochures, promotional videos, sales center displays, and model homes for the highest selling new residential communities in the metropolitan area in 2003 and 2004 (Jacksonville Business Journal). Six of these 14 communities were large master-planned communities for which developers had crafted the advertisements rich in images of home and community life appropriate to this research. The author and a research assistant inventoried appropriate print materials for photographs of humans, noting their racial or ethnic background (white, black, Asian, Hispanic/Latino, or other/indiscernible) to ascertain the racial makeup of the “population” represented. Any differences in coding were reconciled or coded as indiscernible.

Based on availability, approximately thirty homes, priced at $160,000 to $450,000, were visited for about 30 minutes each by the author alone or with a research assistant. Routine questions were asked of builder representatives, including questions about the homes themselves and the communities. For contrast, print materials for other housing types and from other markets were also collected.

Preliminary findings suggest that communities and housing types are presented as appropriate for a narrow range of buyers in terms of racial and ethnic background and family form. In general, print materials presented the “populations” of their communities as whiter than the Jacksonville metro area: brochures contained 81 to 100 percent non-Hispanic whites, while the metro area is only 70 percent non-Hispanic white. In a few communities, but not all, model homes included some people of color in “family photos” placed around the home. Both the brochures and model homes rely on stock photos, and thus could include a greater diversity of models.

Links between housing types and specific family forms can be found across marketing materials. Print materials for condominiums and townhomes routinely picture childless couples skewed toward the young (mid-twenties) or the older (so-called “empty nesters”). Though the condominium and townhome models I visited were spacious, none featured rooms that were devoted to children. Instead, “extra” bedrooms were appointed as guest quarters, home offices, or workout spaces. This stands in stark contrast to single-family detached homes and their com-
munities, which are shown as havens for children. All of the single-family detached homes visited for this research included rooms decorated explicitly for children. Print ads and billboards for these homes and communities also feature children prominently.

These findings raise concerns about how marketing materials might encourage neighborhood homogeneity. In this region, where suburban counties are far whiter than the central city and retain this racial homogeneity despite rapid growth, brochures that over-represent whites could be seen as encouraging white-flight migrants. At the same time, households of color would need to overlook their absence in marketing materials in order to buy a home in one of these communities, or seek another community where they can more easily picture living. Similarly, the very conventional family forms suggested by the model homes could put off a non-traditional household, or a household whose housing choices do not match the presumed associations between housing type and stage in the life course. Empirical research is urgently needed to ascertain how these materials are interpreted by potential buyers and used in housing choices. At a broader level, these findings generate questions about whether the fundamental logic of marketing is at odds with the arguably pro-social goals of integrating communities. Additional questions can be raised about the proper role of policy in directing the symbolic content of residential marketing materials. References available upon request.

ENDNOTE

Amanda Watson provided valuable research assistance.

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A MODEL OF ONLINE CONSUMER DECEPTION DETECTION: HOW TO HOOK PHISH

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SUMMARY

Introduction

Deception for the purpose of criminal activity has become commonplace in the online environment. Deceptions can occur through a variety of venues including chatrooms, discussion groups, browser pop-ups, and e-mails. Individuals and businesses alike have been targeted for the release of consumer personal information for undisclosed and often criminal uses. One such deception, Phishing, has grown at an alarming rate in both incidence and breadth of impact, menacing consumer privacy as well as national security. Phishing is an online deception using social engineering and technical spoofs to dupe consumers into personal disclosures. Phishers typically send e-mail simulating a real corporation’s request for consumer information (even the IRS), 89.3 percent of the time within the financial sector (APWG 2005). Spearphishing is also increasing, targeting customers or employees of a specific corporation. Reports of unique phishing attacks almost doubled to 15,244 during the twelve-month period from December 2004 to December 2005, the number of newly detected phishing sites increased fourfold to 7,197, and over 120 legitimate entities were impersonated (APWG 2005). The financial risks to consumers and corporations are high, and the recent additions of spyware, keyloggers, and phishing-based Trojans also threaten the network at large (APWG 2005).

Technical solutions alone cannot solve the problem; thwarting Phishers will require actions by both corporate and consumer targets to increase the likelihood that the consumer will recognize the phishing attack thereby minimizing the disclosure of personal information (McAfee 2004).

This paper presents a model of the psychological and social factors that can serve as a foundation for understanding and improving consumer online deception detection. The paper reviews literature on interpersonal and mediated deception and integrates them into an explanation of how consumers may respond to phishing attempts. It synthesizes examines the relationships among privacy involvement, knowledge of online privacy hazards, the expected outcomes of risky and less risky online behaviors, self-efficacy beliefs in one’s abilities to avoid risk and to take preventive actions, social norms about online behavior, the performance of both risky and preventive behavior, and the formation of safe online habit.

In a preliminary examination of consumer ability to detect Phish, we found the same constructs helpful for understanding consumer detection of Phish e-mails. The paper reports findings on consumer use of cues in Phish e-mails that aid in or hinder phish detection.

Methods

A sample of 53 graduate students at a major Midwestern university evaluated a set of five phishing e-mails that were culled from the inboxes of the researchers. Participants were given hard copies of five e-mails, four of which were phish, and one which was real. The real e-mail came from a local credit union, familiar to participants, and which had been the target of recent phishing attacks. Participants were asked to render a judgment regarding the veracity of each e-mail. In addition, they were asked to circle cues that they used to make that judgment.

Results

Overall, five out of 31 judgments of the real e-mail were wrong, identifying it as fake, and 39 out of 123 phish judgments were wrong, identifying phish as real ($\chi^2_{(1)} = 27.62; p < .000$). The demand characteristics of the study suggest that the error incidence for detecting the real e-mail is inflated while the error rate for detecting the phish is deflated.

Discussion

This paper presents a theoretical plan for targeting consumer perceptions and protective behaviors to help them...
better detect phish. Overall, accurate assessments were associated with more cues than assessment errors. This suggests that those in this sample who are accurate are more diligent in that they use more cues to assess the veracity of the e-mail. While detectors used a variety of cues, non-detectors did not. It is important to mention here, that none of the participants always misjudged the phish. However, it only takes one misjudgment for a consumer to suffer the negative consequences. We need to understand the cues that are used to dupe consumers and develop the method for helping them be better detectors, and what individual characteristics are likely to function.

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IS PRIVACY DEAD?

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SUMMARY

In 1999, Scott McNealy, then CEO of Sun Microsystems famously declared, “Privacy is dead, deal with it.” The success of marketing efforts is positively related to the amount and specificity of individual-level consumer data (Nowak and Phelps 1992, 1995). Consumer data enables firms to create knowledge, which if used strategically (Jayachandran et al. 2005), can be a source of sustainable competitive advantage as per the knowledge based view of the firm (Grant 1996). This realization has spurred the large-scale acquisition of consumer data. But is privacy truly dead? Measures taken by consumers to protect their privacy such as the “Do Not Call” list, unlisted phone numbers, online alibis, and even legal action, would seem to indicate that privacy is near-death, if not dead, and consumers are upset by this. However, at the same time broadband and Internet adoption is increasing, even though these technologies compromise privacy with or without the consumers’ awareness. Consumers seem to appreciate the conveniences resulting from giving their information to firms, such as recommendations, personalization, discounts, automatic log-on to websites, and customer advocacy (Urban 2005). Then why do consumers protest the loss of their privacy? Evaluating whether privacy is truly dead requires explaining the contradiction between expressed attitude toward privacy concerns and overt behaviors that compromise privacy. For this, we need to understand why privacy concerns are formed: what are the factors involved and conditions under which privacy is or is not an issue?

Conceptual Background

Extant research has found that privacy concerns negatively impact consumers’ trust in firms (Milne and Boza 1999). Further, consumer demographics such as age and gender (Novak and Phelps 1995), marketing context (Wang and Petrisen 1993), and firm characteristics such as reputation, and prior experience (Schoenbachler and Gordon 2002), have been identified as important antecedents to privacy concerns. What remains unexplained, however, is why privacy concerns are formed.

Research in marketing has focused primarily on the economic exchange, i.e., the buying and selling of goods (Bagozzi 1975). Social exchange which comprises the mutual transfer of psychological, social, or other intangible entities between two or more parties, such as money, time, and energy (Kotler 1972) is less well understood. In any balanced exchange there needs to be a matching of expectations. Social Exchange Theory suggests that different exchange rules govern six different resources (love, status, information, money, goods, and services) but we do not yet know which exchange rules apply to which resource (Cypoanzano and Mitchell 2005). Foa and Foa’s (1974) resource theory examined information as a resource and its pattern of exchange, but this was with respect to academic information such as advice. Privacy issues necessitate revisiting the issue of exchange of information within a marketing context. Using reciprocity as the most widely studied exchange rule, we may infer that just as firms expect their consumers to provide information for enabling better satisfaction of consumer needs, similarly consumers may expect a fair value for their information, in the form of economic and/or social benefits. Firms may be either unable or unwilling to provide such benefits or they remain largely secretive about the intended use of such information and the expected benefits for the consumers. Further, consumers may not be able to directly associate a benefit that a firm provides, to the information that they may have provided to the firm earlier. Indeed, consumers may not even realize when their information has been taken and what information a firm has about them. All of these factors may lead to a gap between the consumers’ expectations and the benefits (if any) provided by the firm. This in turn would result in consumers forming perceptions of unfair treatment from firms in the information exchange process.

Social Justice Theory is a useful lens for understanding fairness evaluations. In the context of privacy, distributive justice would be evaluated by consumers in terms of economic and/or social benefits received. Procedural justice would involve the manner in which the information was obtained, e.g., clearly visible opt-out options, being informed about the end use and security of the information, and ethical usage of information etc. Interpersonal justice would refer to how people were treated during the process, e.g., courteous treatment, permission sought, etc. Understanding when and which of these justice norms is salient during the information exchange process would be an important step toward understanding why privacy concerns are formed.
Method

I propose to use the Zaltman Metaphor Elicitation Technique (ZMET) to explore the privacy construct. ZMET is based on the premise that thought is image, not word based and uses metaphors to elicit hidden knowledge (Zaltman 1997). Based on the ZMET findings I propose to develop a conceptual model which I intend to empirically test with consumer survey data.

Conclusion

Privacy represents an important ethical divide between marketing and society. Driven by a managerial, profit-oriented agenda, marketing has lost sight of its fundamental mission, i.e., to represent the customer’s interest to the company and this has resulted in a loss of trust by customers (Sheth and Sisodia 2005). By taking consumers’ expectations into account in the information exchange process, the marketing discipline could take a much-needed step toward regaining some measure of consumer confidence. This study contributes to the development of a theory of privacy and is part of a larger ongoing study on the role of privacy in customer relationship management and marketing in general. References available upon request.
ONLINE PRIVACY POLICIES: DO THEY PROTECT CONSUMERS? 
A COMPARATIVE LINGUISTIC ANALYSIS OF ONLINE PRIVACY STATEMENTS OF THREE COUNTRIES

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SUMMARY

This paper uses a rhetoric comparative perspective to examine whether online Privacy Policies really protect the online consumers in terms of their personal information in three countries. Although online Privacy Policies are designed to protect online consumers ensuring that their data are protected and their privacy not infringed, however, often privacy policy statements leave vacuums of ambiguity and interpretations regarding “third parties” access to the information.

The collection of online consumers’ personal information is central to online transactions, and to encourage users to participate in online transactions, it is a common practice to see online merchants posting the Online Privacy Policies on their websites to inform users about their data handling practices, that is, how data are being collected, stored and used in the context of the transaction, thus projecting a fair and responsible manner in its use. Yet, online consumers worry that Web merchants sell their data to third parties, clog their mailboxes with unsolicited emails or place persistent cookies on their PCs. So, to protect their privacy, users tend to abort the transactions, falsify personal details, or maintain several email accounts. Such practices unfortunately deprive Web merchants of information critical to meeting customer’s needs and sustaining a competitive advantage (Brown and Muchira 2004).

According to Culman and Bies (2003), information privacy is defined as “the ability of individuals to control the terms under which their information is acquired and used,” yet the manner in which the online merchant communicates its data handling practices to online users hardly allows the users to have control over the way the data have been used. Further, research found that online privacy policies do not adequately address areas of data handling that users are concerned about. Rather, these documents are written in such a manner that protect companies against privacy lawsuits by integrating privacy legislation that regulates, for example, information gathered from children, financial data, and medical records.

Milne and Culnan (2004) found that Internet users do not often read online privacy policies because they find them too legalistic and difficult to understand. On the other hand, Anton et al. (2004) found that privacy policies are not “readable” and that readers would need at least some college education to understand the complex words and sentence structures in the texts. By discouraging online consumers from reading privacy policies, companies may forgo the opportunity to build trust and image with the online community. Since the manner in which a company (website) communicates its data handling practices to online or Internet users have a bearing on its success in electronic commerce, this paper therefore examines the manner in which online privacy policies are written in terms of its content, language, format and its clarity. It also tries to identify the weaknesses and make suggestions for improvements.

In terms of the research method, we have collected the privacy policy statements of 50 websites each covering a broad spectrum of business models from the U.S., U.K., and Singapore using Alexa.com traffic ranking. We then analyze the scope and depth of the content using a schema that investigates the key privacy concerns amongst Internet users, such as data collection, data storage, data sharing, and unsolicited or third party marketing communications (Earp et al. 2005; Miyazaki and Fernandez 2000). We intend to analyze the language of the privacy policies based on the critical linguistics (Fowler et al. 1979), a method that seeks to uncover how authors of texts use language to construct their versions of reality. The objective of the analysis is to determine the difficulty in reading privacy policies and the level of comprehension across the three countries with different privacy jurisdiction.

In the context of privacy policies, the “version of reality” refers to how companies present their data handling practices to the readers. Four parameters will be used to analyze the privacy policies as follows: lexical choice that looks at the systematic use or avoidance of words; syntactical transformation that explores the use of passive voice and nominalization; negation that examines which issues are denied; and modality that assesses the certainty of the
speaker about the content of an utterance. The rhetorical features that emerge from the analysis will be grouped into four broad patterns such as mitigation, enhancement, obfuscation and omission. The goal of the linguistic analysis is to identify realities created through language rather than to produce quantitative indices of the language. We will also try to examine differences in communicative quality between companies with privacy seals and those without privacy seals.

The content analysis will suggest whether online privacy policies have been drafted with the intent of having the threat of privacy litigations in mind or the commitment to fair data handling practices. In addition, the linguistic analysis will show which company’s website and in which country may be obscuring privacy infringement by downplaying their frequency, mitigating or enhancing questionable practices, and omitting references to themselves about unethical data handling practices. The research findings will provide implications for companies in the three countries to improve their online privacy policies order to ensure users’ trust. References are available upon request.

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While trust is one of the most researched concepts in marketing, privacy has recently become a focal concept in marketing with the advent of the information age and the ubiquitous penetration of technology in our daily lives. In the context of financial institutions, these notions have become a mantra in relationship marketing. According to Moorman et al. (1993), trust constitutes “a willingness to rely on an exchange partner in whom one has confidence. A betrayal of this trust (by the supplier or service provider) can lead to customer dissatisfaction and defection” (Ndubisi and Wah 2005, p. 545). Privacy is related to the degree of control over personal information. To a large degree privacy suggests security. Customer trust and privacy are associated with the risk which organizations are exposed to in a value exchange process.

Financial institutions gather personal information from loan applicants in order to assess lending risk. The information is used to measure the perceived financial stability of the applicant. With an accurate assessment of risk, the institution is able to determine the appropriate settings for any lending product offered to the customer, including the loan size (which may be zero if they decide that the risk is too great), the term of the loan, the interest rate and any other fees and charges. Financial institutions also seek personal information from applicants in order to assess the level of security available in the event of default. Additionally, they may seek information from customers that facilitates greater personalization of future communications and provides greater scope for targeted promotional strategies. This study has two objectives: (1) to contribute to an understanding of the level of concern of loan applicants regarding information sought by Australian financial institutions; (2) to investigate the most important predictors of customer trust in dealings with financial institutions.

Customer Comfort Toward Disclosing Personal Information

The perception that certain types of information are more sensitive, coupled with the pressure of obligation to disclose this type of information, can reduce the level of customer comfort. No uniform definition exists in the literature for assessing the individual’s sense of comfort in terms of levels of privacy. The concept of human comfort can be characterized in the following three dimensions: as physiologically related to the body’s capacity to function; psychologically reflected in the mind’s ability to function satisfactorily; and physically related to tangible aspects of our interaction with the environment (Slater 1985). This study focuses on understanding the level of psychological comfort of customers in disclosing their personal information. We also address the mediating role of demographic characteristics. Psychological comfort is directly related to financial privacy in three ways: comfort from the fulfilment of (1) the desire to be alone, (2) the desire to be free from unwanted communications or involvement; and (3) the desire to remain anonymous.

Design of the Study

The study was conducted in two stages. The first stage focussed on understanding the range, depth and fine detail of information gathered by Australian financial institutions. Application forms from 55 financial institutions offering home loans and credit card facilities were analysed with regard to the type of information sought.

In the first stage a comprehensive taxonomy of the kinds of personal information requested by financial institutions in loan applications was developed, which noted discrepancies in requested applicant information. A total of 31 such items were identified. The results yield seven dimensions. Each dimension was examined for its level of...
consistency across loan applications. Significant variation with respect to an item was used to infer a lack of consistency, and we categorized these as “inconsistent items” and deemed them worthy for further empirical research.

The identified inconsistencies were then used in the design of the second stage of the study. The second stage involved administering a national survey to consumers who at some stage had applied for a credit card or mortgage. The first section measured the degree of consumer comfort with disclosing personal information for the inconsistent items. The second section – general questions on consumer privacy concerns and trust. The third one – demographic characteristics of respondents. The survey of 456 Australians nationwide was conducted by phone (CATI).

Discussion

This study has revealed a lack of consistency or uniformity in the type of information sought by financial institutions. Friedman (2004) has stated that provision for customers’ psychological well-being by diminishing the risk of anxiety in relation to information which is not mandatory ensures that people will feel secure and relatively happy. In the context of this study, the lack of uniformity leads the researchers to question the necessity of discrepant items in risk-assessment of loan applicants, which ethically should be the sole purpose of information gathering. However, if an institution deems it necessary to request such information they should consider providing applicants with supporting rationale for this request.

This study also investigated the relationship between trust attributed to the financial institution and the accompanying level of comfort perceived by applicants when disclosing personal information. It has been shown that an applicant’s level of comfort is dependent on the degree of trust attributed to the financial institution. Given the current low levels of trust attributed to financial institutions in Australia it is imperative that managers consider the enhancement of trust as a priority. It is shown that any degree of customer trust is an improvement on “no trust.” Finally, this study identified the following drivers of trust: a perceived lack of control over the internal or external use of customers’ personal information, and the extent to which financial institutions make transparent the procedures that ensure the protection of customer information. This study also reveals a concern held by many consumers that existing privacy statements do not explain how personal information is used (for both internal and external use). Financial managers should consider addressing this concern and, at the same time, simplify the language of privacy statements.
ONLINE GAMBLING MARKET: INTERNATIONAL LEGAL CHALLENGES FOR U.S. PUBLIC AND FREE TRADE POLICIES

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SUMMARY

The growing popularity of the online gambling market is presenting some daunting challenges to U.S. public policy makers. The legal status of various forms of online gambling in the U.S. is currently unclear and confusing. Recent rulings by the World Trade Organization have added to the uncertainty, as have recent legislative and other developments in the U.S. and Europe.

Some of the resultant domestic and foreign public policy dilemmas faced by the U.S. include free trade vs. social policy, national sovereignty vs. international treaty obligations, and fair trade vs. social policy. Certain options for policy makers are identified, including abiding by the treaty, reinterpreting the World Trade Organization ruling, sticking with the status quo or clarifying the legal status of online gambling through legislation. The latter would have to either prohibit online gambling or regulate it. Such actions will have a definite and profound impact on all market parties concerned.

Legal Framework

The Federal government has the authority to regulate interstate gambling according to the Commerce Clause of the U.S. Constitution. Until recently, the Wire Act, the Interstate Horseracing Act and other federal laws regulated certain aspects of gambling and by inference, online gambling. This at least is the position of the Department of Justice and of some courts. Now Congress has finally passed a bill that has been signed into law by the President. This is the Unlawful Internet Gambling Enforcement Act of 2006. However, apart from attempting to prohibit U.S. financial institution from processing any illegal online gambling payments, it does not really clarify the existing murky legal status of this practice.

The respective states regulate gambling activities within their own jurisdiction. This includes online gambling. Seven states specifically prohibit it while the remainder has varying forms of restrictions on gambling activities. U.S. jurisprudence is sometimes conflicting. In short, the current legal status of online gambling in the U.S. can best be characterized as fuzzy.

International Rulings

A few years ago, Antigua and Barbuda, a nation that allows offshore online gambling operations, filed suit against the U.S. for trying to prohibit such activities. It claimed that the U.S. violated the free trade in services commitment the U.S. made as signatory to one of the WTO treaties. Ultimately, a WTO panel ruled that the U.S. did indeed violate the treaty. However, it also ruled that the U.S. was justified in doing so because it was, through the Wire Act, protecting the public morals and maintaining public order. The problem for the U.S. is its ambiguous position regarding online betting on horse racing. The ruling states that the U.S. cannot discriminate against such offshore operators while allowing this practice at home. The compliance deadline set by the WTO has expired but so far the U.S. has taken no action.

Situation in Europe

The U.K. has legalized a regulated online gambling market. Some other EU members are looking to follow suit. In other member countries its legal status is confusing or unresolved – similar to that in the U.S. A consistent trend in rulings by the European Court of Justice may be emerging. This is to require free access to the Single Market by all member states for such activities unless they consistently ban such activities emanating both from member states and domestic sources. The European Commission may get involved which may pave the way for a more unified policy.

U.S. Public Policy Dilemmas

The preceding developments have created several dilemmas for U.S. policy makers in both the domestic and foreign arenas. For instance, how can the U.S. square its official position (and treaty obligation) of free global trade with its social policy (protecting public morals, maintaining national security and preventing money laundering)? Another dilemma is to what extent the U.S. is prepared to sacrifice its sovereignty in order to fulfill its international legal and foreign policy obligations. Also at issue is whether it wants to continue pursuing its pro-fair
trade stance at the expense of its above-mentioned social policy concerns.

Public Policy Options

Public policy makers have several options they can choose from. It can maintain the status quo. This would, for example, mean that it could not accept the (entire) ruling by the WTO. What does this do for the position of the U.S. as the world’s leading proponent of free trade? If it decides to comply fully how does it deal with online horse racing? The Congress, in passing the 2006 Act, missed a chance to clarify once and for all, the legal status of marketing this product.

Conclusions

The online gambling market presents U.S. policy makers with some daunting challenges in the public and free trade spheres. There is still a real and urgent need for clarification of its legal status, confronting the resulting dilemmas and choosing wise options. The resultant policies will profoundly affect marketers, policy makers and consumers. References available upon request.

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ABSTRACT

This paper examines the conflicts-of-interest disclosure requirements of marketing research journals as to whether the journals require authors to divulge financial relationships they have with the industries discussed in articles. The “Instructions for Authors” of 40 marketing research journals were analyzed, and questionnaires were sent to journal editors to obtain information about the journals’ disclosure requirements. The results show that one-fifth of the journals have requirements, but these are often not as strict as those required by journals of the American Psychological Association or the American Medical Association. Journals of the American Marketing Association had the most stringent disclosure requirements.

INTRODUCTION

Conflicts-of-interest can arise in nearly any field of study where practitioners have competing interests between scholarship and private commercial interests. The media have recently uncovered several cases where professors failed to disclose commercial ties to industries when their comments and expertise were solicited. Disclosure in these cases is crucial because research has shown that professors’ expert opinions have a positive effect on public opinion. Studies have also shown a link between researcher financial interests and research outcomes.

In the context of mass media, disclosure of professors’ conflicts-of-interest is important because professors are often presented as unbiased experts. Research shows that such expert opinion influences public opinion. Page and Shapiro (1983), Page, Shapiro, and Dempsey (1987), and Jordan and Page (1992) examined the impact of different source types on long-term public opinion and found the impact of expert sources to be positive. In contrast, biased sources, such as lobbyists, had either no impact or a negative impact on public opinion shifts.

Problematic conflicts-of-interest have been revealed in media reports. The Wall Street Journal reported that corporations and their public relations firms have paid professors to write newspaper opinion articles, and speak to reporters, in support of corporations’ public policy objectives (Shroeder 2004). As one example, Nucor Corp., a U.S.-based steel company, paid University of Maryland business professor Peter Morici to publicly endorse steel tariffs adopted by the Bush administration. According to The Wall Street Journal, Morici was quoted in “scores of newspaper articles and wrote about two dozen letters to the editor” that favored the tariffs, but did not disclose his financial relationships with the steel company (Shroeder 2004).

The media have also examined the conflicts-of-interest of professors who are quoted as experts in news stories. Munro (2002) found that newspaper reporters quoted Irving Weisman in over 160 articles about the embryo stem cells controversy, and in almost all of the articles, Weisman was described as a “professor at Stanford.” However, Weisman is also a founder and an owner of companies engaged in stem cell research.

More recently, The Wall Street Journal carried a page one story about the authors of a 2006 study published in JAMA, The Journal of the American Medical Association that found women who stop taking antidepressant medicines during pregnancy were likely to relapse into depression (Armstrong 2006). The Wall Street Journal reported that the lead authors of the JAMA study, who were affiliated with Massachusetts General, UCLA and Emory University, had financial ties to pharmaceutical companies manufacturing anti-depressant medicines, but failed to disclose these financial ties along with their research.

Studies have shown that financial relationships like this can affect research findings. Friedberg et al. (1999) studied oncology articles published in medical journals and found that research funded by pharmaceutical companies was more likely to find pharmaceutical companies’ drugs to be cost-effective than independently sponsored re-
search. Azimi and Welch (1998) found that cost-effectiveness analyses published in medical journals were significantly more likely to find drug remedies to be cost-effective when sponsored by the drug industry. Stelfox et al. (1998) examined research about calcium-channel antagonists, and found that researchers whose studies supported the use of the antagonists were more likely to have financial ties to the manufacturers of calcium-channel antagonists than research with different findings.

Barnes and Bero (1998) located 106 articles published in medical journals and proceedings that examined the relationship between passive (i.e., “second hand”) smoking and health problems, and found that the financial interests of authors was the only significant factor affecting the articles’ conclusions. Ninety-four percent of the articles written by researchers with financial ties to the tobacco industry reported that passive smoking was not harmful, whereas 87 percent of the non-tobacco industry affiliated researchers concluded that passive smoking posed health dangers.

Because funding is related to research outcomes, many medical journals require journal article authors to disclose financial relationships that may pose conflicts-of-interest. For example, JAMA requires authors to disclose all affiliations with or involvement in any organization or entity with direct financial interest in the subject matter described in the manuscript (e.g., employment, consultancies, stock ownership, honoraria, expert testimony)."

These problems, and the related disclosure requirements, are not limited to medical research. The American Psychological Association (APA) and the APA Publication Manual require authors submitting manuscripts to APA journals to disclose conflicts-of-interest. The manual states that “if any relationships may be perceived as a conflict-of-interest (e.g., if you own stocks in a company that manufactures a drug used in your study), report them” (p. 204).

The issue is also relevant to marketing. Researchers with tobacco-industry affiliations have conducted marketing research supportive of industry positions, but have failed to disclose financial ties to the industry. Baruch College professor Jean Boddewyn published an article in International Journal of Advertising criticizing tobacco advertising bans (Boddewyn 1994), but the byline accompanying the article did not mention his tobacco industry ties, which included being paid $15,000 by Philip Morris for testifying against restraints on tobacco advertising in several countries (Action on Smoking and Health 1999; DiFranza et al. 2006). However, unlike some of other advertising researchers who received tobacco monies, Boddewyn has on occasion (e.g., Boddewyn 1993) revealed his tobacco industry financial ties.

Several other researchers who received monies from the tobacco industry failed to disclose this in published research articles about tobacco advertising. University of Pennsylvania marketing professor Scott Ward, who testified as an expert witness for the tobacco (Chilcote 1986), published a summary of the literature in International Journal of Advertising, which concluded that “advertising plays a negligible role in smoking initiation or maintenance” (Ward 1990). Ward (1990) also concluded that adolescents are “street-wise” and not easily persuaded by advertising appeals. The biographical sketch accompanying the article did not mention Ward’s tobacco industry ties.

Philadelphia magazine writer Richard Rys (2007) suggests that Ward’s academic research concluding that adolescents are “street-wise” and not easily persuaded should be evaluated with an understanding that Ward has been repeatedly arrested and charged for engaging in sexual activities with minors (Rys 2007).

Georgia State University marketing professor George Moschis published an opinion article in Journal of Advertising Research titled, “Cigarette Advertising and Young Smokers,” which concluded, “The data are far from being clear on whether cigarette advertising creates in any way the desire to initiate smoking and maintain smoking habits among youth” (Moschis 1989, p. 57). Moschis was working as a consultant to the tobacco industry immediately prior to publishing this article (Moschis 1988a), and wrote a report for tobacco industry lawyers Covington and Burling titled, “Evaluation of McCarthy and Gritz’s Paper, ‘Madison Avenue as the Pied Piper: Cigarette Advertising’” (Moschis 1988b). Much of the same language in that report appeared in the Journal of Advertising Research (Moschis 1989) article, but the byline accompanying this article did not disclose Moschis’s work for the tobacco industry.

Williamette University marketing professor Debra Jones Ringold and American Enterprise Institute “resident scholar” John E. Calfee were tobacco industry consultants (Northrip 1989) during the same year that they published research on tobacco advertising in Journal of Public Policy & Marketing (Ringold and Calfee 1989), but the byline accompanying the JPP&M article did not disclose this consulting. These researchers have published other research articles on tobacco advertising (e.g., Mazis, Ringold, Perry, and Denman 1992; Calfee 1994), but the bylines accompanying these articles did not disclose the tobacco industry consulting, either.
Calfee’s association with the American Enterprise Institute raises the issue of institutional conflicts of interest, in addition to individual conflicts-of-interest. Most think tanks such as the American Enterprise Institute are funded by corporations and their foundations, yet provide experts who publish studies and provide testimony concerning these companies and their industries (Herman and Chomsky 2002; Mann 1988). This represents an institutional conflict-of-interest.

Professors who have served as expert witnesses or as consultants in litigation against the tobacco industry may also have financial conflicts-of-interest. A way to avoid such financial conflicts-of-interest is by not personally benefitting from the money received from such work. Richard Pollay, an emeritus professor of marketing at the University of British Columbia who has testified against tobacco corporations, has avoided financial conflicts-of-interest by having his university receive the money. “I don’t get [the money] personally. It is donated to the university,” Pollay says (Pollay 2007). “It is used to fund research, graduate assistantship and Ph.D. students.” Since Pollay’s retirement, some of the money has been used to create the Pollay Prize for “Intellectual Excellence in the Study of Marketing in the Public Interest.”

In contrast with undisclosed conflicts-of-interest, Schultz (2006) criticized research published in the Archives of Pediatrics & Adolescent Behavior that found a relationship between alcoholic beverage advertising and youth drinking. Schultz’s (2006) response, which appeared in that journal, carried the disclosure statement, “Dr. Schultz received funding from the Distilled Spirits Council.” Schultz’s potential conflict-of-interest was reported in Ad Age (Teinowitz 2006), but may have gone unnoticed had the journal not mandated disclosure.

Public policy issues about the link between advertising and smoking, or between advertising and youth drinking, are not the only subjects where conflicts-of-interest have emerged. Another example is Emory University’s Jagdish Sheth, who published an op-ed in the Chicago Tribune titled, “Caller ID Benefits Outweigh Perils.” When the op-ed was published, Illinois Bell was seeking approval by the Illinois utility commission to implement the technology. Sheth described himself in the byline as “the founder of the Center for Telecommunications Management at the University of Southern California” (Sheth 1991).

A Tribune reader wrote a letter to the editor, noting that Sheth’s op-ed was “consistent with that taken by Illinois Bell in their current proposal before the Illinois Commerce Commission” (Gassman 1991). Gassman had earlier attended a seminar where Sheth revealed that “he (or one of his companies) had performed consulting work for Ameritech, Illinois Bell’s parent company.” The letter ended: “I find it disturbing that no mention was made in his column of his past (or perhaps, present) affiliation with an organization that stands to benefit from the action he is recommending” (p. 26).

Sheth also co-wrote articles about telecommunications that appeared in research journals, including Industrial Marketing Management (Saghafi, Gupta, and Sheth 1990). Sheth’s consulting activities were not mentioned in the biographical sketches accompanying these articles. Massoud Saghafi, a coauthor of Sheth’s for the article in Industrial Marketing Management, was also a consultant to the telecommunications industry (Saghafi 2006), but this was not mentioned in his biography.

These examples show that problems can arise when conflicts-of-interest are not disclosed, but no study has examined whether marketing journals have disclosure requirements. One study did examine this issue in a related discipline – communication. Soley and Feldner (2006) found that the vast majority of communication journals did not have conflicts-of-interest policies, even though a majority required article authors to follow the manuscript preparation guidelines of the APA Publication Manual. Soley and Feldner (2006) examined the published “submission guidelines” and surveyed the editors of 35 journals, including those published by the National Communication Association (e.g., Quarterly Journal of Speech) and the International Communication Association (e.g., Human Communication Research).

**PURPOSE**

Soley and Feldner (2006) found that one journal having a conflict-of-interest policy was Journal of Advertising, which raises the question of whether advertising and marketing journals are more likely to have conflicts-of-interest policies than communication journals. To assess this possibility, we conducted a study of an array of marketing journals to determine whether they have conflict-of-interest disclosure policies. The journals’ submission guidelines were examined, and their editors were surveyed about the journals’ conflicts-of-interest policies. In effect, this study replicates and extends the research of Soley and Feldner (2006), focusing instead on marketing journals.

**METHOD**

To determine whether marketing journals have conflicts-of-interest disclosure requirements, two methods were employed: one, an analysis of the “Instructions for Au-
other lists (i.e., onto at least two of Hult, Neese, and Bashaw’s (1997) compensate for these omissions, two journals that made it proceedings, which have annually rotating editors. To or conform to, the 4th or 5th editions of the whether the journal instructed authors to follow the style, Finally, the submission guidelines were analyzed as to having disclosure requirements. disclosure policies require, explicitly state that disclosure was required statements. When the instructions for authors did not ciation 
Publication Manual The “Instructions for Authors” were analyzed using the The journals were the highest ranked journals, as reported by Hult, Neese, and Bashaw (1997), who surveyed marketing professors about the perceived quality of marketing journals. Hult, Neese, and Bashaw’s (1997) list of 41 publications was reduced slightly, eliminating the Journal of Business, which has ceased publication, and two proceedings, which have annually rotating editors. To compensate for these omissions, two journals that made it onto at least two of Hult, Neese, and Bashaw’s (1997) other lists (i.e., Journal of Consumer Affairs and Journal of Direct Marketing) were added to the sample, bringing the total to 40.

The “Instructions for Authors” were analyzed using the Publication Manual of the American Psychological Association and American Medical Association’s disclosure statements. When the instructions for authors did not explicitly state that disclosure was required, as these disclosure policies require, the journal was coded as not having disclosure requirements.

Finally, the submission guidelines were analyzed as to whether the journal instructed authors to follow the style, or conform to, the 4th or 5th editions of the Publication Manual of the American Psychological Association (APA). Several journals (e.g., Psychology and Marketing and Business Horizons) include such an instruction, but most did not state that the APA’s conflicts-of-interest policies were to be followed. For example, Business Horizons merely directed authors to use “the APA (American Psychological Association) style of referencing . . . while at the same time keeping references to a minimum.”

Because it was unclear if journal instructions requiring use of APA citation style also required conformance with the APA Manual’s conflicts-of-interest disclosure requirements, and because journals might have unpublicized disclosure policies, a survey of the 40 journal editors was conducted, asking them about their journals’ disclosure requirements.

Survey Method

Questionnaires were sent to the 40 editors with a signed cover letter explaining the purpose of the study, and requesting that the questionnaires be returned in the enclosed self-addressed stamped envelopes. The cover letter did not promise the editors anonymity, and the questionnaires and envelopes were not coded to identify each responding editor. However, some editors either identified themselves on the returned questionnaires or used envelopes bearing their return address, so some respondents could be identified. These are identified in the results section when relevant.

The questionnaires asked the editors a forced-choice question about whether their journal has “a mandatory disclosure requirement concerning financial conflicts-of-interest” such as “expert testimony, consulting, stock ownership and the like for article authors.” The questionnaire also asked the editors where the policy could be found. Finally, the questionnaire asked the editors whether their journal had a similar conflict-of-interest policy for editorial board members and whether they believed “that a conflict-of-interest requirement” should be instituted.

A week after the cover letters and questionnaires were mailed to editors, follow-up postcards were sent, thanking editors who returned their questionnaires and stating, “If you have forgotten to return it, I would appreciate your returning it at your earliest convenience.” The follow-up closed with the statement, “I realize you are very busy, but your participation is extremely important to the study.”

RESULTS

Analysis of “Instructions for Authors”

The “Instructions for Authors” were analyzed by two coders, who unanimously agreed on their coding. Only the International Journal of Research in Marketing’s guidelines required consultation among the coders, because it told authors that they could acknowledge “information on grants received,” but did not mention consulting, expert testimony, stock ownership or the like. This journal was coded as not having a conflicts-of-interest disclosure requirement.

Of the 40 guidelines analyzed, eight (i.e., 20%) had disclosure requirements, but four were weaker than the APA manual’s disclosure requirement. Journal of Advertising’s submission guidelines tell authors, “Per the request of the American Academy of Advertising, please disclose all sources of funding for the present manuscript.” However, the guidelines also inform authors that they are “not [to] include information on . . . organizations consulted, etc.” thus weakening the affirmative disclosure requirement.
Harvard Business Review required authors to “please tell us about any financial relationship you may have with companies cited in the proposed article. We need to know if you have a consulting relationship, for example, or if you serve on the board of directors.” Thus, the guidelines do not apply to reviewers, and may not even apply to researchers who discuss policies concerning an industry (e.g., tobacco), rather than a particular company.

Another journal, Marketing Science, asked submitting authors to “list any inappropriate reviewers or individuals with a conflict of interest,” but did not require authors to disclose their conflicts-of-interest. The Journal of Direct Marketing required authors to acknowledge “financial or technical assistance.”

Four of the journals with conflicts-of-interest policies – Journal of Marketing, Journal of Marketing Research, Journal of International Marketing, and Journal of Public Policy & Marketing – are published by the American Marketing Association (AMA), which has the same submission policy for all publications. The policy requires authors to “inform the editor” about conflicts-of-interest. The policy states: “A conflict of interest may exist when a manuscript under review puts forth a position contrary to the reviewer’s published work or when a manuscript author or reviewer has a substantial direct or indirect financial interest in the subject matter of the manuscript.” Thus, the conflicts-of-interest policies of the AMA-published journals apply to authors as well as reviewers. These were the only journals that had conflicts-of-interest policies for authors and reviewers.

None of the remaining submission instructions contained disclosure requirements. Although the number is low, more marketing journals have disclosure requirements than do journals in communication studies.

Five of the marketing journals (i.e., Psychology & Marketing, Business Horizons, International Journal of Research in Marketing, Journal of Consumer Psychology, and Journal of Global Marketing) require authors to follow the Publication Manual of the American Psychological Association. Typically, the instructions requested authors to follow the style, rather than practices, described in the APA manual. For example, the Journal of Consumer Psychology’s “instructions for authors” states, “Manuscripts should be prepared following the style in the Publication Manual of the American Psychological Association (5th ed.).” Consequently, even though some marketing journals require authors to employ the citation style recommended by the APA manual, the wording of the guidelines is ambiguous as to whether they require authors to follow the disclosure requirements employed by APA journals. The survey sought to clarify this ambiguity.

Survey/Questionnaire Results

Twenty-one of the 40 surveys that were mailed out were returned, for a 52.5 percent response rate, which is considered acceptable (Boyd, Westfall, and Stasch 1989; Wimmer and Dominick 2002). Although acceptable, this seems low considering the importance of the issue and its having been the focus of media attention.

One possible explanation for the fact that just under half of the editors did not return their questionnaires is that they did not view the issue as an important one. This is supported by the responses of editors who did return the questionnaire. One editor responded to the question, “Do you believe that a conflict-of-interest requirement should be required for journals in your field?” with the terse answer, “Unnecessary.” Another wrote, “Financial conflicts-of-interest are of little or no significance in our [field].” A third wrote, “The research we publish is rarely funded privately and even if it is, funding has little to do with the research.”

To determine the other possible reasons for non-response, telephone calls were made to some editors whom we could identify as non-respondents. In a telephone interview, the editor of Journal of Consumer Affairs said, “It went into my ‘surveys to the editor’ file and didn’t get answered. I get a lot of these . . . As soon as I see it’s a survey, I don’t even read it. I just file it away.” A message was left for the editor of Journal of the Academy of Marketing Science, who did not return the phone call. Another editor reported that he could not recall receiving the questionnaire.

The questionnaires that were completed show that, despite the requirement of some journals that authors use APA style, these journals are not conforming to APA standards concerning conflicts-of-interest. Not one of the editors whose guidelines require the use of APA style reported that their journals have conflicts-of-interest disclosure requirements.

Their explanations on the open-ended section of the questionnaires suggest that these editors also believe that conflicts-of-interest disclosure requirements are not needed. One of these editors wrote, “This is not a problem for social science journals in general. We do, however, worry about conflicts-of-interest involving reviewers and the author and have implemented a self-report screen for this.”
The editors of other journals reached the same conclusion. One editor wrote, “Not needed,” and another wrote, “Requirement? No. Ethical guidelines, self-imposed? Yes.” In a similar vein, the editor of Marketing Science wrote, “Too difficult to enforce.” Another wrote, “It’s none of our business!”

Another group of editors believed that conflicts-of-interest policies were not needed, because it was the responsibility of an author’s university to police this issue. One wrote, “We figure the faculty have such requirements through their universities.”

The editors of several journals that did not have conflicts-of-interest policies were unsure of whether conflicts-of-interest policies were needed, but were willing to consider the need. The editor of Journal of Business Research wrote, “Uncertain. Need to read your paper,” and the editor of Journal of Consumer Marketing wrote, “This may be something to consider in the future.” The editor of Journal of Services Marketing wrote, “No, but I’d be interested in knowing what other journals do. I might reconsider.”

Finally, the editor of Journal of Marketing Research wrote that, despite that journal having a conflicts-of-interest policy, he had proposed rewriting and strengthening the policy, noting, “It is one of the issues that I have proposed to address immediately after I accepted the editorship of JMR on July 1, 2003. But I have not yet been able to complete it.”

Overall, the surveys showed that journals that did not currently publish conflicts-of-interest guidelines in their “Instructions for Authors” did not have them, and most were not considering them.

**DISCUSSION**

Eighty percent of marketing research journals do not have conflicts-of-interest disclosure requirements. The results also reveal that a number of journals’ editors do not believe that there is need for disclosure because conflicts-of-interest are either rare or nonexistent. These editors appear to be unaware of conflicts-of-interest that have surfaced in the past. Probably many undiscovered conflicts-of-interest exist, but are not easy to detect because a majority of journals do not require researchers to disclose conflicts-of-interest. This is problematic and unfair, as Munro (2002) observed, because these readers deserve to have all relevant information about the research and the researcher. Conflicts-of-interest are certainly relevant, as research in the medical field shows.

In response to the editors who suggest that disclosure of conflicts-of-interest is the responsibility of authors’ universities, there is evidence showing a disparity in policies at universities. If all universities monitored consulting and entrepreneurial activities with equal vigilance, journals would not need conflicts-of-interest policies. However, universities’ conflict-of-interest policies differ greatly, and many universities assert that professors’ financial activities are private issues (Blumenstyk 1998; Brainard 2003). Thus, university policing does not provide sufficient assurance that authors will publicly divulge conflicts-of-interest.

It should also be pointed out that establishing conflicts-of-interest policies are easy, and enforcing them does not require much time or energy, despite protestations to the contrary. Journals merely need to publish their policies, and authors and reviewers should be assumed to comply. If authors fail to disclose their conflicts-of-interest after being required to do so, and their actions later become public, it is the responsibility of the authors’ employers to take action — it is not the responsibility of the journals, since they have no means of punishing violations.

Although the AMA has disclosure requirements for its journals, researchers who wish to avoid disclosing their conflicts-of-interest can do so by submitting to journals that lack disclosure policies. Until these journals also adopt conflict-of-interest policies, the research they publish should be accepted with greater skepticism than those with disclosure requirements. The integrity and believability of marketing research would only be enhanced by the adoption of disclosure policies by all journals.

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THE USE OF DEAD CELEBRITIES IN MARKETING: A LEGAL AND PUBLIC POLICY ANALYSIS

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SUMMARY

The current fascination of society with celebrities has contributed to the increasing use of celebrities in marketing (Pringle 2004). In 2005, retail sales of licensed celebrity merchandise totaled over $3 billion (Bury 2006). Some estimate that perhaps 20 percent of all network television ads use celebrities (Miciak and Shanklin 200?). However, current celebrities are expensive and risky to use in marketing while the burgeoning baby boomer population is nostalgic for the celebrities of its youth. Technology allows advertisers to modify digital images and include authentic sounding voice tracks for these deceased celebrities contributing to an increasing interest in the use of dead celebrities in marketing.

U.S. courts have recognized the celebrity’s “right of publicity” for over fifty years, but only started to recognize that it might be descendible for the past twenty-five. During this time the heirs of dead celebrities have sought licensing deals, challenged unlicensed uses in court, and lobbied state legislatures to enact statutes that recognize a descendible right of publicity. These actions have led to debate as to whether celebrity heirs should benefit from the right of publicity after the celebrity has died and, if so, for how long? Alternatively, should the use of the celebrity name, image and persona pass to the public domain to be free for all to use much like images of George Washington and Abraham Lincoln today?

This paper examines the current state of right of publicity law as well as other forms of relevant intellectual property law including defenses that might allow some uses of dead celebrity names and images. It also analyzes the public policy benefits and harms related to providing for a descendible right of publicity or alternatively allowing celebrity names and images to fall into the public domain upon death of the celebrity. References available upon request.

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GIFT CARDS AND NOTICE: DISCLOSURE ONE STEP REMOVED

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SUMMARY

Although gift certificates have been available to retailers since early in the last century (Waits 1993), gift cards more recently have become ubiquitous, both in interpersonal gift giving and as consumer and corporate incentives. Estimated U.S. sales in 2006 were $25 Billion for the holiday season alone (Woyke 2007). With rapid technology transfers, other markets are demonstrating significant growth as well (Horne, Craddock, and Norberg 2005).

The rise in popularity stems from the purchasing consumer’s ability to fulfill gifting obligations while conveniently reducing the risk of poor gift selection (Horne and Kelly 1995). For the recipient, selecting one’s own gift from a set of alternatives likely increases utility (Horne, Craddock and Norberg 2005) and reduces what has been called the “deadweight loss” associated with gifts that do not match the recipient’s needs or preferences (Waldfogel 1993). Further, many recipients enjoy recreational shopping (Bellenger and Karonkar 1980), and as this type of gift prompts them to enter the retail environment, they experience an added benefit.

While gift cards usage is growing rapidly, some recipients’ experiences with the cards have been unsatisfactory. Gift cards may have expiration dates, which limit the timeframe available for usage. A misplaced or forgotten card may not provide any value to the consumer redeeming it. In addition, some gift cards contain “dormancy” fees, which erode the card’s available balance after a certain period of non-use. Alone or in tandem, these policies have the ultimate impact of reducing the value of some cards, which exposes card recipients to potential monetary risk.

Disclosure of risks associated with product purchases has been extensively studied by marketers and others who argue that better informed consumers make better choices (Bettman 1975). Underlying this is the assumption that armed with knowledge of any potential problems, consumers will consider the risks and, to the degree that they wish to mitigate these risks, will self-protect (Beales, Craswell, and Salop 1981). However, the information about the risks must be communicated in a manner that is complete and relevant, and the consumer must be both motivated to access and have the capacity to understand the meaning of the information provided (Milne, Culnan, and Greene 2006).

But what happens when the risk is not to the purchaser but to someone who subsequently becomes the recipient of the purchase, as in the case of a gift? Is the risk communicated at all? Who bears the responsibility for that communication if, in fact, it should be communicated to the actual holder of the purchase?

These are the questions that this paper begins to address in examining the growing use of gift cards. These products have potential financial risks which, according to the lengthy disclosure documents which accompany many of them, seem to clearly indicate that corporate counsels feel sufficiently concerned about prospective liability. Yet, the question of whether third parties, who are not party to the original purchase, can and should be afforded protection is not clear.

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PUBLIC POLICIES AND POLITICAL ADVERTISING: WHAT DO SOURCE DISCLOSURE, MESSAGE VALENCE, AND REPETITION ACHIEVE?

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SUMMARY

The mid-term elections of 2006 were among the most contentious in the last decade. Hard-hitting negative advertisements dominated the airwaves as Democrats tried to unseat sitting Republicans and those same Republicans fought equally hard to maintain their seats in the U.S. House and Senate. Not only were the mid-term campaigns perhaps the most negative ever, the 2006 campaigns are also being accused of containing the most deceptive content of any set of campaigns in recent history. This intensely negative, deceptive environment came at a time when legislation (at least partly designed to promote positivism and honesty) was becoming an accepted part of the political landscape.

This paper seeks to provide some insights into the policy known as “Stand by Your Ad.” Additionally, since one of the policy’s intentions is to lessen negativity, we examine the relative effectiveness of positive and negative political advertising claims. Finally, we explore the frequency of exposure to these positive and negative messages. The campaigns provide an interesting case study of a public policy where intention and outcome intersect in some predictable, and some not-so-predictable ways.

The political disclosure stems from a new requirement enacted through the federal Bipartisan Campaign Reform Act of 2002 (BCRA). BCRA requires the advertisements of “candidates, parties, and interest groups” to contain both a verbal and visual disclosure statement that prominently identifies the sponsor who takes responsibility for the content of the ad. This provision is the so-called “Stand by Your Ad” disclosure (SBYA). Because it requires that any candidate must personally and prominently take part (whether in broadcast or print) in every ad for his or her candidacy, critics of “Stand by Your Ad” place it directly into the category of “compelled speech,” a major First Amendment issue most frequently debated in the context of required funding of advocacy ads by unions and agricultural associations. To the extent that these rules are designed to prevent attack ads and mudslinging, in the hope that candidates will be personally unwilling to attach their names to such negative messages, the First Amendment implications for political speech are more direct. It may also be argued that infringement on time and space in broadcast and print political advertising, by default, directly limits other forms of speech that might have occupied the same time or space. Both arguments raise the issue of direct infringement on political speech. Regardless of the valence (positive or negative) of a political ad, it is still considered a form of protected speech.

This public policy requiring disclosure (with its intended impact of suppressing negativity) and the literature reviewed suggest several research questions. The first one considers the impact of the presence or absence of a disclosure (whether or not the political ad contains SBYA visuals and language). The second is motivated by the mixed empirical evidence regarding the relative effectiveness of positive or negative political advertising appeals (message valence). The third question, also stated as a hypothesis, posits greater political message effectiveness for higher than for lower levels of message exposure. Finally, we consider the impact of the three treatment variables in combination, by asking if the presence or absence of a disclosure has differential effects across message valence (positive vs. negative) and/or across different levels of frequency.

This is a randomized factorial experiment, which may be described as a 2 (disclosure vs. non-disclosure) x 2 (positive vs. negative) x 2 (low frequency, 1–3, vs. high frequency, 4 and 6) design. The three independent variables include presence or absence of disclosure, valence of advertising message (positive vs. negative), and frequency (low vs. high). Message effectiveness was assessed in several ways: recall of and attitudes toward candidates, attitude toward ads, and relative voting intention for the sponsoring candidate. All appropriate experimental procedures were employed at every stage, from stimuli testing and selection, to participant recruitment and participation, to data analyses.
Our results find few main effects on attitude toward the ads and relative voting intention, when the impact of our treatments are filtered through the covariates of aided recall of sponsor and opponent and attitude toward sponsor and opponent. However, two interesting three-way interaction effects provide insights into those specific conditions under which the presence or absence of SBYA language may enhance or suppress positive attitudinal and behavioral responses to the sponsoring candidate. Our analysis presents evidence that SBYA legislation is not likely to serve its public policy purpose of discouraging the use of negatively valenced appeals, in that SBYA language induces resistance to attitudinal backlash toward negative messages at higher frequencies and actually enhances voting intention in the response to negative ads at higher frequencies of exposure. Thus, particularly in the case of well-funded campaigns (that can achieve high average frequencies of message exposure), the SBYA language within negative advertisements actually benefits the sponsoring candidate. In contrast, our findings should discourage the use of positive advertising appeals among well-funded candidates whose messages contain the mandated SBYA language. Under such conditions of positive advertising, attitudinal and behavioral responses toward the sponsoring candidate are lowered. Further, the absence of SBYA language is associated with enhanced effectiveness of positive appeals at higher frequencies.

One caveat that might modify our interpretation of these complex data patterns is the fact that, in this study, the negative ads were liked more than the positive ads (though neither treatment received highly polarized attitudinal scores). However, this attitudinal difference across the Valence treatments raises the possibility that the effects of the Disclosure and Frequency treatments may be attributable to attitude toward the ad rather than to message valence. Additional research that considers the impact of SBYA language for liked vs. disliked negative ads as well as liked vs. disliked positive ads should help to refine our interpretation of this public policy issue.

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SPECIAL SESSION

CAN WE HELP CONSUMERS CHOOSE HEALTHIER FOODS?
RESEARCH FROM GOVERNMENT, INDUSTRY, AND ACADEMIA

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SUMMARY

According to the Centers for Disease Control, chronic diseases accounted for five of the leading six causes of death in 2002 in the United States, and all of them are associated with poor diets. Coronary heart disease (CHD) is the single leading cause of death today, and 22 million adults have CHD. Obesity has reached epidemic proportions – 32 percent of adults are obese. Moreover, over the last 20 years, the percentage of young people who are overweight has more than doubled. This is a disturbing trend, since people who are obese are at increased risk for heart disease, high blood pressure, diabetes, arthritis-related disabilities, and some cancers.

Health professionals recognize that while unhealthy eating and lack of physical activity contribute to many chronic diseases, as well as obesity, the onset of these diet-related health conditions can be prevented if consumers make positive dietary changes. Therefore, promoting healthier lifestyles by helping individuals make less risky choices with respect to food and nutrition has been an important focus of public health efforts undertaken over the past several decades. Health authorities have regularly put forth dietary recommendations to the public that provide guidance in selecting diets that minimize the risk of developing these diseases. However, given the trends in diet-related diseases, the success of such initiatives remains in question, and policymakers recognize the challenges ahead.

Meeting those challenges will require effort from various sectors of society and expertise across domains. This session examines the role of different approaches used to influence consumer food choices, both indirectly through provision of nutrition information and more directly through the use of incentives. The session brings together researchers from government, industry association, and academia who employ a variety of research methodologies, both qualitative and quantitative, to provide an improved understanding of how to promote healthier food choices among consumers.
DOES DIET-DISEASE FAMILIARITY TRANSLATE TO FOOD LABEL USE? CHANGES FROM 1994 TO 2002

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SUMMARY

Over the last few decades, there have been several initiatives by the federal government to educate the public about nutrition and health. Underlying these efforts is the rationale that an educated public would select healthier diets that would reduce the likelihood of premature onset of chronic diseases, such as cardiovascular disease, cancer and diabetes, which cost the nation over $250 billion annually.

Public policy makers recognize that if consumers are to make dietary changes that are good for their health, they need to understand: (1) the increased health benefits (reduced risks) that may result from eating a nutritious diet, and (2) the health/nutritional attributes of different foods. Several health awareness campaigns have attempted to bring the links between diet and diseases to the forefront of public attention, and increase consumer knowledge of foods that might help prevent (or contribute to) certain diet related health conditions. Through the Nutrition Labeling and Education Act of 1990 (NLEA), mandatory and standardized labeling of most packaged food products has been accomplished; the goal being to help the public understand the nutrition value of foods and to provide information that could help consumers make less risky food choices and maintain healthy dietary practices.

Previous research shows that beliefs about diet-disease relationships affect food label use by the consumer. Research has also shown that label use is a precursor of dietary change. Using data from FDA health and diet tracking surveys, we investigate whether familiarity with diet disease relationships among the population increased over the period 1994 to 2002, and whether these changes were accompanied by similar changes in food label use.

Our study shows that although consumer familiarity with the relationship between diet and prevention of cancer increased between 1994 and 2002, familiarity with the link between diet and heart disease remained unchanged. Consistent with past research, consumers that have greater familiarity with links between diet and diseases are more likely to use the food label for various tasks. An unexpected finding, though, is that consumers’ use of the food label – both on a regular basis and for first time food purchase decisions – declined during the 1994–2002 period. There was a concurrent and significant increase in the proportion of the population who report never using the label. The analyses also reveal a strong cohort effect—with younger consumers showing the greatest increases in diet-disease familiarity and the steepest declines in label usage.

The paper presents various hypotheses about intervening factors that may have caused the declines in label use in the face of increased familiarity with diet and disease linkages and discusses the implications the results have for educating the public about dietary risks.
CAN THE NUTRITION FACTS PANEL BE IMPROVED?
CONSUMERS WEIGH IN

Wendy Reinhardt Kapsak, International Food Information Council Foundation

SUMMARY

During the sixteen years that have passed since the enactment of the Nutrition Labeling and Education Act (NLEA), there has been little change to the Nutrition Facts Panel (NFP). The International Food Information Council Foundation is conducting iterative qualitative research on the NFP and other features of the food label. The purpose of this research is to explore how consumers see, understand, and apply key health, nutrition, and ingredient information provided by the current NFP when purchasing and consuming foods. The research will also explore various options for modifying the food label.

Since multiple elements within a label work both together and separately to influence consumers, the research will focus on the NFP within the context of the entire package, rather than in isolation. In addition to understanding how consumers perceive and use food labels, the research attempts to discover consumer needs for content and nutrition information and preferences for label formats that may help improve food choices. Ultimately, the goal of the research will be to allow consumers to identify label criteria that make the food label more user-friendly.

In the first phase of research, ethnographic interviews were conducted in participants’ homes and grocery stores across three markets (Boston, MA; Birmingham, AL; San Diego, CA). Interviews were scheduled on days when participants normally go shopping to mirror national data that shows one-third of consumers shop during the week, while the additional two-thirds shop on the weekend. Markets and participants were chosen to capture various regional diets, ethnicities, and other key demographics, allowing observation of a wide range of consumer behaviors related to the NFP. Results from the interviews were used to inform the research in the second phase, to be conducted late fall 2006.

In the second phase of research, focus groups will be held in two locations (Baltimore, MD; St. Louis, MO). Sixteen groups will explore how consumers think about and use the current label. In addition, consumers will discuss what they find useful and relevant, and what they find lacking, about the NFP. Consumers will offer suggestions for changing the label and provide input about other nutrition information delivery vehicles, i.e., on-label and off-label communications.

Results from this research will be used to assess existing, and develop new, methods for health, nutrition and ingredient information delivery. Insights will help shape future quantitative research to validate previously-tested concepts and consumer-based solutions for nutrition labeling.
INSIDIOUS CONSUMPTION: SUBTLE FACTORS THAT INFLUENCE WHAT WE EAT AND HOW MUCH

David R. Just, Cornell University, Ithaca
Brian Wansink, Cornell University, Ithaca
Lisa Mancino, Economic Research Service

SUMMARY

As obesity has become a major public health concern, there is great interest in guiding consumers’ food choices to be more beneficial for their long-term health. A major challenge is finding incentives that can improve the food choices among individuals who behave contrary to their own long-term health without reducing the welfare of individuals who make optimal choices.

Findings from behavioral and psychological studies indicate that people regularly and predictably behave in ways that contradict some standard assumptions of economic analysis. They make systematic errors when dealing with imperfect information, they exhibit varying degrees of self-control that fluctuates with the timing of consumption, and they are unduly influenced by seemingly irrelevant factors like package size and shape.

Within the context of food assistance and nutrition programs, such as Food Stamps, WIC, and the USDA school meal programs, these findings broaden the array of strategies than can be used to improve the diet quality of program participants. Adjustments to existing Food and Nutrition Programs, such as allowing students to pre-select their school meals, giving food stamp recipients the option to pre-order their groceries, or changing default menu-options of school meals have the potential to improve diet quality of program participants without restricting their right to choose the foods they like.

To test the effectiveness of some these proposed interventions, we designed a food choice experiment to that could be extended to USDA school meals program. Specifically, the experiment was designed to test the following hypotheses:

- Allowing students to pre-select their meals increased the healthfulness of their food choices.
- Restricting pre-payment to including only healthful menu items increases the healthfulness of foods chosen.
- Students who have pre-committed for their meal choice exhibit preferences that are less sensitive to prices and environmental factors compared to individuals who choose menu items at the time of purchase/consumption.

We find that manipulating the payment method available for various foods can be an extremely effective tool for influencing choice – probably more effective than direct price manipulations. By excluding less healthy foods from being purchased with debit cards, we observe a substantial reduction in consumption of these foods.

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SPECIAL SESSION

WHEN WORLDS COLLIDE – DEVELOPING REGULATORY DISCLOSURES THROUGH CONSUMER TESTING

Loretta Garrison, Federal Trade Commission, Washington, DC
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Susan Kleimann, Kleimann Communications Group, Washington, DC
Manoj Hastak, American University, Washington, DC
Jeanne Hogarth, Federal Reserve Board, Washington, DC

SUMMARY

Over the past three years, a group of seven federal regulatory agencies has been engaged in a project that “boldly goes where we have never been before.” The mission was to develop a regulatory disclosure notice that consumers would actually pay attention to, understand, and use in their financial decision-making—and to do that by developing and testing the notices with consumers.

The particular notice for this project is the privacy notice given out to consumers by financial companies (for example, banks, thrifts, credit unions, brokerages, insurance companies, etc.). As part of the Gramm-Leach-Bliley (GLB) Act, financial companies provide these notices at specific points in the customer relationship, allowing consumers to “opt-out” of information sharing.

The agencies involved (Federal Deposit Insurance Corporation, Federal Reserve Board, Federal Trade Commission, National Credit Union Administration, Office of the Controller of the Currency, Office of Thrift Supervision, Securities and Exchange Commission) had to address not only regulatory and statutory issues but also cultural issues within each agency—getting over the “we’ve never done this before” hurdle. In this panel, we address:

- The process involved in organizing and implementing the project.
- The stakeholders and participants.
- The within- and among-agency issues that had to be addressed.
- The consumer testing and results.
- What we learned as regulators.
- What other MPP participants can learn from our experiences and how to apply this to their own work.

Panelists include staff from regulatory agencies, the communications contractor for the project, and an academic researcher who was part of the project team.

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COMPULSIVE BUYERS’ REACTIONS TO PROMOTIONAL PRACTICES

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SUMMARY

Compulsive buying is a complex disorder that has been defined as, “chronic, repetitive purchasing that becomes a primary response to negative events or feelings” (O’Guinn and Faber 1989, p. 155). The phenomenon appears to be widespread and has potentially detrimental individual and social consequences including increased costs of health care, crime control, products, and credit (Faber and O’Guinn 1992). Recent estimates indicate that compulsive buying affects 5.8 percent of the total U.S. population (Koran et al. 2006). The disorder has also been observed in other countries (e.g., Canada, Germany, Korea, Mexico) and there is evidence that the incidence of compulsive buying has been increasing (Neuner, Raab, and Reisch 2005).

Although the macro role of media and marketing on compulsive buying has been a common thread in the literature and a number of studies have found compulsive buying associated with materialism (e.g., Dittmar 2005; Roberts 2000; Yurchisin and Johnson 2004), there has been little research (e.g., Kwak, Zinkhan, and DeLorme 2002) on the role of specific promotional practices and inadequate attention to compulsive buyers’ own viewpoints and voices. The present paper reports on a qualitative study that explores how two promotional practices (advertising and sales promotion) are perceived and experienced by compulsive buyers. Gaining insight into compulsive buyers’ reactions to promotional practices should contribute to a fuller understanding of the disorder, provide guidance for socially-responsible marketers, and offer direction for more effective prevention and intervention of this growing social problem.

Method

A series of in-depth interviews was conducted to gather first-person accounts from compulsive buyers who reside in a metropolitan area in the southeastern U.S. To recruit volunteer informants, ads were placed in local newspapers and publications, posted on a community website, displayed at local businesses, and distributed through interpersonal sources. The ad included a phone number and website address that individuals could call or visit to complete the Faber and O’Guinn (1992) diagnostic screener for compulsive buying and provide contact information. Those who qualified were telephoned, informed of the study’s purpose, asked to participate, assured of confidentiality, and offered a $30.00 restaurant gift certificate incentive. For individuals willing to participate, arrangements were made regarding a time and location. A total of twelve in-depth interviews were conducted with women ages 21 to 52. For consistency, the same investigator who was trained in qualitative research conducted all interviews using a carefully constructed and pre-tested interview guide. Each interview lasted approximately two hours. Analysis involved listening to the audiotapes multiple times, transcribing all interviews verbatim, and coding the data using procedures of analytic induction and comparative analysis (Miles and Huberman 1994; Strauss and Corbin 1990).

Results

The results suggest that compulsive buyers’ reactions to promotional practices are not uniform but vary by type of practice and technique. Overall, discussion about advertising was brief and reactions were neutral. However, certain types were perceived positively because they serve as marketplace surveillance and navigational tools and vehicles for sales promotion material (i.e., retail newspaper ads) or are aesthetically appealing (i.e., fashion magazine ads), while others sparked irritation and avoidance attempts (i.e., TV commercials, direct mail credit applications). Reactions to sales promotion were very favorable. Informants reported actively seeking and readily responding to various price promotions (e.g., retail sales, clearances, store coupons, rewards programs). The data suggest that sales promotions can propel compulsive buying predispositions by enticing even more impulsive, unnecessary, excessive, and multiple identical purchases. Sales promotion appears to fulfill a number of dysfunctional needs for compulsive buyers including intensifying excitement and positive feelings during purchasing thus reinforcing the behavior, satisfying buying cravings with less monetary expense thus financially fostering excessive shopping over time, helping reduce
post-purchase guilt by providing a means to rationalize the behavior as socially acceptable, and boosting self-esteem upon finding a bargain.

Conclusions

Rather than being passive recipients, these compulsive buyers appear to be selective and involved in processing and responding to certain forms of advertising and sales promotion. In assessing marketing and public policy concerns and solutions, it seems the unique functions (dysfunctions) that each serves for compulsive buyers should be considered. For both practices, the buyers seemed to understand and accept the business purposes and acknowledged some influence on their shopping but were not angry or concerned. Other factors (e.g., stress, depression, loneliness) were believed to underlie their purchasing problems. The results are meant to be suggestive, not conclusive. Future research to determine compulsive buyers’ perceived versus actual risk for susceptibility to particular promotions is crucial. The findings should alert and remind marketers that their promotional practices may contribute to compulsive buying episodes and that they have a social responsibility to consider potential ethical issues and solutions. The study also raises awareness that sales promotion can mask chronic compulsive buying as occasional impulsive buying, possibly compounding challenges in addressing the situation. Ongoing dialogue among various stakeholders is needed in efforts to better understand, prevent, and reduce this serious and complex dysfunctional consumer behavior and its individual and social consequences. References available upon request.

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THE MODERATING INFLUENCE OF CONSUMERS’ TEMPORAL ORIENTATION ON THE FRAMING OF SOCIETAL THREATS AND CORPORATE RESPONSES IN CAUSE-RELATED MARKETING CAMPAIGNS

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Scot Burton, University of Arkansas, Fayetteville
Judith Anne Garretson Folse, Louisiana State University, Baton Rouge

SUMMARY

Given the well-publicized breaches of ethical business behavior in recent years (e.g., Enron, WorldCom), many companies’ concern with using persuasive communications to promote favorable images has increased. One means of achieving this goal is through cause-related marketing (CRM). CRM is a promotional strategy combining public relations and sponsorship strategies where an organization makes a philanthropic commitment to a social threat or “cause” through a specific campaign that is promoted to and requires participation from consumers.

This research combines the emerging research domains related to temporal framing in persuasive communications and consumers’ temporal orientations in the context of corporate use of CRM promotional campaigns. Our objective is to examine whether a consumers’ temporal orientation moderates the effects of the temporal framing presented in advertisements related to a CRM campaign for both the (1) social issue (or threat) to be addressed and (2) the corporation’s coping response to the threat. We consider effects on primary dependent variables of attitude toward the campaign, brand attitude, and product purchase intentions. We also propose that the CRM campaign attitude partially drives purchase intentions and brand attitude, indicating there will be a mediating impact of the CRM campaign attitude on brand attitude and purchase intentions. Specifically, we predict mediation of the moderating effect of the consumers’ temporal orientation in which the interaction effect on brand attitude and purchase intentions is mediated by the CRM campaign attitude.

Methodology

A 2 (temporally oriented threat message: proximal and distal) x 2 (temporally oriented organization coping message: proximal and distal) x 2 (temporal orientation: present and future) between-subjects design was used. The temporal frame on the advertisements was manipulated for both the presentation of the threat (i.e., when federal funding for research would end: one month (proximal) or five years (distal)) and the organizational coping response (i.e., when the campaign would make a difference: one month (proximal) or five years (distal)) to address the threat. We conducted a web survey of junior and senior undergraduate business students. There were 141 participants; 48 percent of the sample was male and the mean age was 22 years. Participants were categorized as present oriented if their mean score for the present orientation scale was greater than their mean scores both for future and past orientation. We categorized respondents as future oriented if their average future orientation score was greater than both their past and present scores.

Results

There were significant three-way interactions for all three dependent variables ($p < .05$) when the ad was framed with a distal societal threat along with a distal organizational coping response. Consumers with a future orientation had a more favorable attitude toward the campaign, purchase intentions, and brand attitude than consumers with a present orientation when the ad is framed with a distal societal threat along with a distal organizational coping response.

When the ad was framed with a distal societal threat and proximal organizational coping response consumers with a present orientation had greater attitudes toward the campaign and purchase intentions, than consumers with a future orientation. The test for brand attitude was not significant, but consumers with a future orientation have lower mean ratings regarding brand attitude than consumers with a present orientation.

Differences between future oriented consumers and present oriented consumers regarding attitude toward the campaign, purchase intentions, and brand attitude were not
significant when the ad was framed in terms of a proximal societal threat regardless of how the organizational coping response is framed. In addition, we found support that attitude toward the CRM mediates the moderating influence of consumers’ temporal orientation on purchase intentions and brand attitude.

**Summary**

Our results indicate that a consumer’s temporal orientation matters. Consumers with future temporal orientations have more favorable attitudes toward the campaign, brand attitudes, and purchase intentions when the societal threat and organizational coping response are both framed in distal terms compared to consumers with present temporal orientations. More specifically, consumers with a future orientation given an ad with a distal threat and distal coping response had the highest rating for attitude toward the campaign, purchase intentions, and brand attitude. Combined, these results suggest that marketers and their nonprofit partners need to consider the temporal nature of the cause in their advertising and promotion. Furthermore, some understanding of the size of the temporal orientation segments (present versus future oriented) of targeted consumers seems relevant. Thus, while future research is needed, temporal considerations potentially have relevance both in consideration of the types of causes, as well as in the framing of the promotion and targeting of consumers. Finally, our results point to the importance of creating favorable attitudes toward the CRM campaign, given that this construct fully mediated the impact of the temporal orientation of the consumer and temporal framing on the critical brand attitude and purchase intentions dependent variables.

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THE BEST EVER PAPER? ESTIMATING THE EFFECTS OF PUFFERY

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SUMMARY

Puffery is generally considered harmless exaggeration that few consumers would treat seriously or rely on to inform their purchases. However, while regulators and the Courts have perpetuated this view of puffery, a number of researchers have challenged their assumptions, arguing that puffery may mislead and deceive consumers.

Ivan Preston is among the most well-known of these researchers; his work chronicles the evolution of puffery, the types of puffery considered by researchers, and the Courts’ response to allegations involving puffed claims. Yet despite the fact that the various types of puffery have now been carefully classified, much less is known about the interpretations consumers place on puffed claims, the accuracy they associate with these interpretations, or the effect puffed claims have on their behaviour.

This paper reports three studies that were designed to address these questions and test assumptions made by regulators about consumers’ response to puffery. More specifically, the first study examined the range of interpretations elicited in response to a puffed claim; the second explored respondents’ perceptions of the accuracy of a range of statements based on Preston and Scharbach’s (1971) framework, while the third used a discrete choice model to estimate the effect puffed claims had on respondents’ choice behaviour.

The puffery claim used was a “lifestyle” claim, which makes a statement about other consumers’ perceptions of the brand in question. Because of its clear subjective status, this type of claim is held to be less likely to mislead or deceive than claims that have a stronger factual status. However, perceptual claims have been the subject of recent litigation, and are of strong interest to Australasian regulators, whose opinions were sought during the study design.

The data were collected using cross-sectional mall-intercept surveys. These have been accepted by the courts as an acceptable proxy for a simple random sample and they facilitate the use of visual stimuli. The first survey involved 600 respondents, each of whom saw one of three puffed claims in a show card designed as a point of purchase poster. Belson’s (1980) double-back technique was adapted to explore the range of meanings respondents associated with each claim.

The results suggest respondents frequently extrapolated from the claim and they consistently mentioned attributes not specified in the claim they were asked to explain. These findings support earlier findings and suggest that puffery stimulates consumers to add further meaning to a claim. Interestingly, respondents asked to explain the claim “The World’s Favourite Brand” provided several brand names as answers; this suggests they may locate claims within their own experience, and that puffery may inadvertently benefit larger brands within a category.

Although the findings from Study 1 identified the broad range of interpretations associated with the three puffed claims examined, they did not provide insights into how respondents viewed these claims, or whether they saw them as accurate. Study 2 therefore used Preston and Scharbach’s statement framework, which includes five statements ranging from true, logically valid, independent, logically invalid, to false. The statements were developed and reviewed by a range of researchers and by a former regulator to assess their fit with Preston and Scharbach’s framework. The research tested the boundaries of this framework, which was initially developed to examine claims that had a factual basis, and that featured among a range of claims made within an advertisement. A total of four hundred and fifty respondents viewed one of three sets of statements and were asked to classify these as accurate or inaccurate.

Although a high proportion of respondents classified the “true” statements as accurate, similar proportions classified the “false” statements as accurate for two of the three claims examined. These results may be an artefact of the methodology used, particularly since it was designed to
test a different type of puffed claim. However, the variation in response to different claims suggests that consumers interpret lifestyle puffs in many ways. The high levels of uncertainty recorded against some statements may also lend support to Preston’s claim that puffery may confuse consumers and thus reduce the knowledge they have about a brand.

To test these explanations further, and to examine the effects of puffery using a well-known and robust methodology – discrete choice modelling –, a final experiment was conducted. Three attributes: brand, claim and price, each expressed at different levels, were used in a discrete choice experiment administered to four hundred and fifty respondents. As expected, price had the strongest influence on respondents’ choice behaviour. However, the claim also had a significant and material effect, and accounted for around 10 percent of the overall model deviance. Combining the most attractive brand with the most influential attribute resulted in an overall utility that offset the disadvantage associated with a higher price point.

The findings suggest consumers do not merely dismiss puffery, as regulators have supposed. The choice modelling findings highlight a tension between regulators’ view that consumers do not rely on puffs and their consequent assumption that puffs cannot influence consumers’ behaviour. While further work is required to test the boundaries of our findings, our use of a weak puff in a context where no other supporting evidence was provided suggests puffery’s effects are stronger and more wide-ranging than regulators have assumed. Our findings suggest that claims recently dismissed by the courts as mere hyperbole actually have a material effect on consumers’ choice behaviour, which is a powerful predictor of actual purchase decisions. References available upon request.

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REGULATORY FOCUS: TWO OR FOUR REGULATORY SYSTEMS?

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SUMMARY

Regulatory Focus Theory (RFT) is a theory that explains how behavior is regulated to achieve goals. The theory proposes that two distinct regulatory systems guide behavior. The promotion-focused system is used to achieve nurturance goals and strives to achieve these goals by focusing on positive outcomes, accepting risk, and adopting an eager means. The prevention-focused system is used to achieve safety goals and strives to achieve these goals by focusing on avoiding negative outcomes, minimizing risk, and being vigilant. Although individuals are chronically disposed to either a prevention or a promotion focus, regulatory focus can also be temporarily induced by external stimuli. The RFT is particularly pertinent to the study of the persuasiveness of health marketing messages, as the goal of these messages is to encourage consumers to manage their behaviors to achieve healthy outcomes.

This paper proposes and tests an extension to the current understanding of RFT. We argue that the prevention and promotion regulatory systems can be further divided into dominant and dual systems. Self-regulation can be achieved by adopting a dominant prevention or promotion focus, or by adopting a strong or weak dual focus. Thus, the number of distinct self-regulatory systems is increased to four: Prevention Dominant, Promotion Dominant, Strong Dual, or Weak Dual.

This extension of RFT rests on the assumption that individuals can adopt multiple goals and multiple means to achieve those goals and also on the assumption that individuals can display multiple, seemingly contradictory traits. Given that individuals may have multiple goals (e.g., performance and mastery), and given that the choice of means is determined in part by the goal, it follows that individuals can avail themselves of multiple means to reach their goals. Further, although traits such as a chronic prevention or promotion focus have traditionally been viewed as simple dimensions along which people differ, chaos theory accommodates the view that individuals can display both of what may appear to be opposing traits and suggests that it is quite feasible for individuals to be chronically disposed to both a promotion and prevention focus. Thus, we argue that individuals may use both promotion and prevention means to regulate their behavior, and be chronically disposed to be both prevention and promotion-focused.

However, to date, researchers have adopted the view that individuals are either promotion- or prevention-focused and in our view, this approach masks important differences between individuals. A richer understanding of regulatory focus recognizes that there are important differences among those who are promotion focused as well as among those who are prevention focused. Individuals may have a strong promotion (prevention) orientation along with a weak prevention (promotion) orientation, thus having a dominant promotion (prevention) focus. Individuals, who have a dominant along with a subordinate focus, are likely to rely on their dominant focus as the means by which they regulate their behavior. Conversely, individuals may have a strong (weak) promotion focus along with a strong (weak) prevention focus resulting in a strong (weak) dual focus. Individuals, with both prevention and promotion means of self-regulation at their disposal, may be either strong or weak self-regulators.

The exploratory study presented in this paper investigated the effects of having a strong (versus a weak) dual focus on self-regulation and persuasion. Consistent with the literature that has found that self-regulation is associated with positive outcomes, we proposed that having a strong dual prevention and promotion focus is an indication of strong self-regulation and would be reflected in a high level of physical activity. The persuasion literature has shown that strong (versus weak) persuasive appeals resulted in more favorable attitudes when the argument was presented in a manner that was consistent with an individual’s regulatory focus (i.e., regulatory fit occurs). Thus, we proposed that when individuals have a strong (versus weak) dual focus, strong (versus weak) persuasive appeals would result in more favorable attitudes and greater intentions, regardless of whether message content was promotion or prevention-focused, because strong dual-focused individuals experience fit when messages are either prevention or promotion-focused.
Method

A 2 (individual focus: strong dual/weak dual) x 2 (message focus: prevention/promotion) x 2 (message argument strength: strong/weak) between subjects design was used to test the hypotheses. The regulatory focus of the participants was measured using the Regulatory Focus Questionnaire. Participants (188 undergraduates, equal numbers of males and females, median age 20) read a health message about physical activity and then answered questions that measured their regulatory focus, assessed the persuasiveness of the message, and provided information about their current activity levels.

Results

The correlation analysis confirmed that a strong dual focus is associated with positive health outcomes whereas a weak dual focus is not. There was a significant linear relationship between promotion focus scores and reported activity level for strong dual-focused consumers ($r = .45, p = .001$), but no significant correlation between promotion or prevention scores and reported activity level for weak dual-focused consumers. Analysis of Variance revealed that, regardless of the message focus, when arguments are strong, strong dual-focused consumers have more positive attitudes ($F_{(1,41)} = 9.55, p < .05$) and greater behavioral intentions ($F_{(1,41)} = 7.08, p < .05$) than weak dual-focused consumers. However, when arguments were weak, strong dual-focused consumers were not more persuaded than weak dual-focused consumers, by either prevention or promotion messages.

This extension of RFT suggests that there are four distinct regulatory foci and the preliminary evidence suggests that there are important differences between strong and weak dual-focused consumers with respect to persuasion. Further exploration of these differences is important if the effects of regulatory focus and regulatory fit on persuasion are to be fully understood. References available upon request.

ENDNOTE

1 This research is supported by a Canada Doctoral Scholarship from SSHRC and a Graduate Fellowship from the Centre for Knowledge Transfer.
SUMMARY

Flashback to MPPC 2000. The hot topic among researchers interested in food and nutrition labeling was the Pearson vs. Shalala (1999) decision. The Court, for the first time, reprimanded the Food and Drug Administration’s (FDA) reluctance to allow health claims (i.e., claims that a nutrient may reduce the risk of a particular disease) on dietary supplements. The FDA was viewed as stifling free speech because of a requirement which disallowed health claims that did not meet the “significant scientific agreement” (SSA) standard of the Nutrition Labeling and Education Act of 1990 regarding the relationship between a particular nutrient (e.g., selenium) and a particular disease (e.g., cancer). The FDA contended that, the disclaimer approach would be ineffective as “there would be a question as to whether consumers would be able to ascertain which claims were preliminary [and accompanied by a disclaimer] and which were not,” (Pearson vs. Shalala 1999). The Court ruled that supplement firms had the right to provide information from “emerging science” to consumers and concluded that the FDA had not proven through empirical research the FDA’s contention that consumers would be confused by scientific certainty disclaimers.

Much has happened since the 1999 Pearson vs. Shalala decision. First, qualified health claims have moved from a phenomenon within the dietary supplement industry into the much larger food industry, with food manufacturers anxious to make qualified health claims, but perhaps not as anxious to work through the approval process for health claims meeting SSA standards. FDA has approved many qualified health claims and has proposed using three levels of scientific certainty disclaimers: Level B, C, and D science claims, each level consecutively indicating weaker scientific agreement (Level A represents SSA claims and, therefore, does not require a disclaimer). As an extreme example of Level D science, consider the approved health claim for green tea and green tea supplements, “Green tea may reduce the risk of cancer.” Near the end of the accompanying 50-plus word disclaimer is the statement, “FDA concludes that it is highly unlikely that green tea reduces the risk of breast cancer.”

Now, the landscape is changing again, since research presented at the 2005 FDA public meeting on qualified health claims showed little evidence that the qualified health claims, as currently implemented, are interpreted by consumers as intended. The Federal Trade Commission (FTC) concludes that, “Current FDA language for qualified and unqualified claims does not communicate the intended levels of scientific certainty to consumers,” and “The current language the FDA uses to communicate an unqualified SSA claim does not convey strong scientific certainty to consumers” (FTC 2006, p. 1).

This leaves the FDA, the food and supplement industries, and marketing academics wondering, “What happens next?” And, this is where our session begins. We have put together a panel of five presentations revealing different perspectives on this issue. We begin with a presentation by Dr. Brenda Derby of the Food and Drug Administration. She has first-hand knowledge of these issues and discusses the background on the November 2005 FDA meeting and updates the FDA’s research findings. This is followed by a discussion of the research done by International Food Information Council (IFIC) presented by Wendy Reinhardt Kapsak. Many for-profit and not-for-profit organizations are part of IFIC. Finally, two academic research studies are presented. References available upon request.

The following presentations will be made:
Special Session: Qualified Health Claims: the Fanfare, the Facts, the Fuss

*Effectiveness of Various Methods to Convey Level of Science*, by Brenda Derby, Center for Food Safety and Applied Nutrition, Food and Drug Administration (FDA), College Park, MD.


*Qualified Health Claims and Consumer Confusions*, by Jeremy Kees, Villanova University, Philadelphia, PA; John Kozup, Villanova University, Philadelphia, PA; Karen Russo France, West Virginia University, Morgantown, WV; Paula Fitzgerald Bone, West Virginia University, Morgantown, WV.

*A Content Analysis of Qualified Health Claims*, by Karen Russo France, West Virginia University, Morgantown, WV; Paula Fitzgerald Bone, West Virginia University, Morgantown, WV.

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SPECIAL SESSION

THE DEVOLUTION OF DISASTERS: THE INFLUENCE OF STATE AND LOCAL DISASTER POLICIES ON CONSUMER BEHAVIOR

Session Co-Chairs:
Debra L. Scammon, University of Utah, Salt Lake City
Deirdre T. Guion, Saint Joseph’s University, Philadelphia

SESSION SUMMARY

As the magnitude and scope of natural and man-made disasters increase, so too increases the need to better understand all aspects of disasters. Every level of government can be involved in disaster management and their roles and responsibilities are not uniformly designed nor executed. And while the Disaster Relief Act Amendments of 1974, The Stafford Act, gives the federal government the authority to assist state and local governments with disaster management, it is routinely done so at the request of the governor of a state (Fairchild, Colgrove, and Jones 2006). From mitigation, to preparation, response and recovery, the policies of local, state, and federal governments impact citizens in every phase of disasters. This session examines how the devolution of policy initiatives and directives surrounding disaster impact specific consumer behaviors. We consider how citizens respond and behave when state and local policy directives and/or prior experience impede, hinder, or conflict with their values, beliefs, and/or ability to act as directed. To begin what we hope will be an ongoing discussion in this field; we bring together research that articulates unanticipated consequences of varying policies and directives for those attempting to mitigate disasters, those evacuated from disaster areas, as well as for those remaining in disaster zones.

The intended audience for this session includes planners and managers responsible for implementing disaster management initiatives through the phases of disaster management, policy makers attempting to mitigate the consequences of policy initiatives to consumers that might be planned for in advance of disasters, researchers with an interest in the experiences of persons dealing with disasters, and marketers looking for ways in which they might more effectively assist citizens and communities in being prepared for disasters.

Three short presentations will be followed by comments by a noted expert in the area of disaster research, and highlight the types of policy directives that have proven historically to be the most vexing with which to deal. The audience will be actively involved in discussion, by both raising questions and by offering solutions and/or suggesting additional areas for future research.

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ENSURING ACCESS TO HEALTHCARE FOLLOWING A DISASTER: ISSUES AND SUCCESS STORIES

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SUMMARY

Access to and provision of healthcare during and following disasters are some of the most critical issues with which local authorities must deal. The healthcare needs of residents, disaster aid personnel, and visitors must be met at a time when resources and personnel are disrupted. As some residents evacuate the disaster area, their care needs must be met by organizations which may have different access and payment policies. The unique issues that may arise include:

- Provision of healthcare services to disaster victims as well as to residents and visitors not directly affected by the disaster;
- Care for the infirm and immobile who are unable to leave the disaster area, ensuring that their health condition does not worsen as a result of attempts to protect them (evacuation trauma, disruption of life support systems, transport accidents);
- Availability of and access to healthcare records;
- Continuity of care with regard to availability of prescription medicines, therapeutic treatments, and other special needs of patients when they are forced to evacuate;
- State licensure issues facing doctors wishing to assist in a disaster area or those moving out of a disaster area who wish to practice elsewhere;
- Equity issues raised by states administering federal assistance programs (e.g., Medicare and Medicaid benefits and procedures for access across different states);
- Health insurance coverage issues when patients access care outside their normal provider network.

For many of these issues, disasters simply heighten existing concerns and put more pressure on solving current problems. Disasters may thus have a silver lining in that they may propel efforts that lead to outcomes that improve conditions in both disaster and non-disaster situations.

In addition to considering issues of access to and quality of healthcare following disasters, the presentation describes several case examples accumulated in the aftermath of Hurricane Katrina that demonstrate how healthcare organizations dealt with some of these issues. The case of one hospital that remained functional after the hurricane illustrates how prior preparation and planning enabled it to continue serving existing patients, disaster victims, and disaster response personnel, as well as the population that did not evacuate following Katrina. Plans detailed which employees would stay if an evacuation order was issued, what their responsibilities would be, and how they would be supported in terms of transportation, housing, and respite time out of the area. Another case examines how out-of-area healthcare organizations dealt with patients’ needs for prescription drugs when healthcare records were unavailable. This case illustrates the creativity and flexibility that enabled patients to receive needed medicines including database solutions, temporary provisions for short-term supplies, and extraordinary human effort to track down needed records from another state. A final case explores the experiences of hospitalized patients who were evacuated during the hurricane. The case highlights issues of transportation, ultimate destination and patient safety throughout the evacuation process. References available upon request.
Special Session: The Devolution of Disasters: The Influence of State and Local Disaster Policies on Consumer Behavior

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SUMMARY

The displacement of families due to Hurricane Katrina has been called the largest relocation of students in U.S. history with estimates in excess of 250,000 displaced students from Louisiana, Mississippi, and Alabama (Educationworld.com 2006). Across the country, states have responded to meet this need by attempting to remove regulatory barriers, amend laws and suspend entry requirements as quickly as possible. The magnitude of this effort is substantial as are the variations of state requirements for school aged children. The federal government acknowledged the severity of this need with the enactment of the Hurricane Education Recovery Act, signed into law by President Bush on December 30, 2005 (U.S. Department of Education 2005). Among other things, this legislation authorizes three grant programs to assist school districts and schools in meeting the educational needs of students displaced by Hurricanes Katrina and Rita.

The Emergency Impact Aid for Displaced Students program and the Assistance for Homeless Youth program are two new programs covered under a single application from State educational agencies (SEAs). SEAs apply for federal funding for the 2005–2006 school year to allow them to distribute funds to local educational authorities (LEAs) to assist with the cost of educating students displaced by Hurricane Katrina or Rita (Section 107 of the Act). The third award is directed funding for LEAs and is under the McKinney-Vento Homeless Assistance Act.

This study explores how three states: Texas, Tennessee, and Georgia, altered their regulatory requirements to absorb thousands of elementary students displaced after Hurricane Katrina. The analysis of state department of education waivers and executive orders from the Governors’ offices suggests that residency status and immunization requirements were temporarily waived or suspended in all three states to accommodate displaced students (Lovejoy 2005). While these three states also set-up websites and toll-free hotlines to assist with student enrollment, parents still bore the burden of proof of immunization records, birth certificates, and school attendance documents (www.governor.state.tx.us and www.tennesseanytime.org 2005). In many instances the 30 to 60 day temporary waivers did not necessarily allow enough time for parents to secure state and federal records. Interviews with parents of displaced children reveal that in some instances children were re-immunized and parents had to become permanent residents of their “relocated” state to ensure uninterrupted enrollment. As policy initiatives are reviewed at the local and national level, coordination of existing records for school age children must be considered. References available upon request.
DO RISK PERCEPTIONS AND EXPERIENCE INFLUENCE RISK MITIGATING BEHAVIOR?

Ingrid M. Martin, California State University – Long Beach, Long Beach
Wade E. Martin, California State University – Long Beach
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SUMMARY

The relationship between what people know about various types of risks and whether they will act to protect themselves from those risks and to what degree has been the subject of much research across numerous disciplines (Lindell and Prater 2002; Maddux and Rogers 1983; Mullilis and Duval 1995; Slovic 1987; Weinstein et al. 1998). A critical factor that both policymakers and consumers need to understand after a catastrophic disaster is how individuals’ risk perceptions and risk mitigating behaviors are affected. As part of this policy consideration, we must ask what the impact is of various types of policy options and personal initiatives on current and future risk mitigating behaviors. In other words, how well prepared are residents living in flood plains for the next flood or those living in high wildfire risk areas for the next wildfire season.

We explore the impact of knowledge, experience and efficacy on whether individuals will undertake risk mitigating behaviors to increase their preparedness for a reoccurrence of a disaster (Weinstein 1989; Lindell and Whitney 2000; Mullilis and Lippa 1990). This study focuses on residents in the western United States that have experienced a catastrophic wildfire within five miles of their home, many of whom had been evacuated due to the hazard. We investigate natural disaster preparedness for individuals living in these communities.

A mail survey was conducted in a set of communities with an extensive and continuing history of wildfire risks. Respondents living in communities surrounded by high wildfire risk were asked what type of actions they had undertaken, if any, to reduce the risk of fire around their home and property. The set of actions for wildfire mitigation are based upon risk reduction behaviors identified by the Firesafe Council of California.

We develop a model that evaluates the direct effects of subjective knowledge, experience and efficacy as well as the mediating effects of risk perceptions on their actual risk mitigating behaviors. Subjective knowledge was measured by asking respondents how well informed they consider themselves to be as well as how motivated they are to learn more about these risks. The direct experience that respondents had with the risks was based on the degree to which they were exposed to a wildfire. The efficacy construct was based on how effective risk reduction behaviors can be as well as how confident they are in their ability to protect themselves from the risks. These constructs along with the composite measure of risk perceptions were the basis for the mediation model. The direct effects of subjective knowledge, experience, and efficacy was significant providing evidence that the relationship between the independent variables and the dependent variable is mediated. Then we test the impact of risk perceptions to determine if this variable is either mediating or partially mediating the relationship between the independent variables and risk behaviors.

Based on a set of regressions we demonstrate that the effect of subjective knowledge on whether respondents will engage in risk mitigating behaviors is mediated by their respective perceptions of the severity of the risk as well as their perceived vulnerability to the risk. In contrast, respondents’ feelings of efficacy and their experience with wildfire has a direct effect on the number of risk mitigating behaviors that they choose to undertake.

Policymakers have a difficult task when communicating risk to diverse constituent populations. It is critical to understand what influences an individual’s perception of risk as well as their risk mitigating behaviors to effectively communicate risk information and then to have that lead to the desired action outcome. From a policy perspective, it is important to understand the process by which con-
Special Session: The Devolution of Disasters: The Influence of State and Local Disaster Policies on Consumer Behavior

Consumers respond to various types of risk information (e.g., educational information, the impact of the actual risk). Policymakers want to know what factors can be used as policy tools to motivate risk reduction behaviors. These results provide support for the premise that educating people on the risks associated with a natural hazard will in turn affect their perceptions of their vulnerability and the severity of the risk thus encouraging them to protect themselves. In addition, their actual experience with a hazard and their belief that particular risk reduction behaviors are efficacious can directly impact whether they protect themselves from the hazard. Thus, the belief that “If only they knew!” is not enough to persuade consumers to protect themselves from the impact of natural hazard risks. References available upon request.

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THE MEDIATING EFFECTS OF COGNITIVE AGE ON CONSUMERS’ HEALTH RELATED ATTITUDES AND BEHAVIORS: AN EXAMINATION OF MIDDLE-AGED PEOPLE IN CHINA

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ABSTRACT

Consumers’ cognitive ages have been recognized as an important mechanism to influence certain attitudes and behaviors. Based on a sample comprised of 1543 Chinese between 45 and 65 years of age, the key finding shows that the impact of the demographic factors on health-promoting behaviors is mediated by cognitive age.

INTRODUCTION

Aging societies have been a global trend, including developed countries (e.g., England, Germany, Sweden, and Japan) as well as developing countries (such as China and Taiwan). China is one of the fastest growing aging societies in the world; by 2018, the elderly of over 65 years old will comprise over 10 percent of the population (Fan 2002).

While populations are aging, the demands for health care and health related products are increasing. In order to reduce health problems associated with aging and to maintain one’s dignity and mental well-being in the face of growing old, health management has become an important task to middle-aged people. Promoting a concern for health which can be described as a willingness to improve or maintain one’s health may influence certain health-promoting behaviors, such as maintaining a healthy diet and regularly having physical examinations; this in turn can maximize the quality of life.

The symptoms of physically aging easily raise people’s attention to health-related issues. Thus, the concerns for health increase with the growth of chronological age (e.g., Arras, Ogletree, and Welshimer 2006; Weitzel 1989) due to health problems, particularly the increased probability of disease. In spite of the positive relationship between age and health concerns found in previous research, several other studies suggest that not all the people in the same age groups keep similar health-related attitudes (e.g., Armitage, Norman, and Conner 2002; Bosma et al. 2004). Thus, the connection between people’s chronological age and their concerns for health is still an unclear area to be further investigated.

This study suggests that cognitive age may play a role in affecting one’s health-related attitudes to explain the mixed findings of chronological age and concerns for health mentioned above. By definition, cognitive age is how old a person perceives him or herself to be (Barak 1998). Those of a younger cognitive age tend to feel young, look young, act young and perform similar interests with younger cohorts. Furthermore, an older chronological age may remind people to take care of their health, this study provides more insights that those late middle-aged people with younger cognitive age tend to have a greater concern for a healthy self and exert a certain amount of self-control to maintain their younger self-perception. Cognitive age may be a factor in promoting a concern for health, leading in turn to more health-promoting behaviors, such as keeping a healthy diet and receiving regular physical examinations.

Few studies have recognized the role of cognitive age in forming one’s health-related attitudes and behavior. Underhill and Franchellie’s (1983) studies started to examine this issue by linking the relationship between cognitive age and its correspondent health-related attitudes toward quality of life with the purchase of health-related products. However, neither of them empirically incorporated the construct of cognitive age to explore its impacts on consequent attitudes and behaviors, such as the aforementioned healthy diets and physical examinations. This study, therefore, hopes to shed light on this issue.

Although demographic variables may not directly influence middle-aged consumers’ attitudes, studies on cognitive age suggest that demographic variables (e.g., chronological age, household income, occupation, etc.) influence their cognitive ages (e.g., Gwinner and Stephens 2001). Since cognitive age in turn appears to influence consumer attitudes, then another way of stating this is that cognitive age mediates the relationship between demo-
graphic variables and consumer attitudes (such as fashion-orientation) (Gwinner and Stephens 2001; Mathur and Moschis 2005). Recognizing cognitive age as a mediator, then, leads to the second purpose of this study: to examine whether the impact of demographic variables, mediated by cognitive age, will specifically affect middle-aged people’s concern for health. Therefore, this study, conducted in three major cities of China (Beijing, Shanghai, and Guangdong), aims at elucidating the role of cognitive age in the general concern for health, and, by extension, the further influences on adopting a healthy diet and getting physical examinations, and further examines whether cognitive age mediates the demographic variables’ effect on people’s concerns for health.

**LITERATURE REVIEW AND HYPOTHESIS**

**Cognitive Age**

Cognitive age, the perception of one’s own age, is one element of “self-concept,” (Barak 1998) that is, one’s conception of the self. Four functional areas of the self for cognitive age include: how old a person feels (feel age); how old a person believes him or herself to look (look age); the age a person perceives him or herself to act (act age), and the interests that reflect a person’s perceived age (interest age) (Barak and Schifffman 1981). People construct identities or a sense of self by generating attitudes which correspond to these four functional dimensions (Barak, Stern, and Gould 1988). Given the salience of cognitive age on people’s attitudes, cognitive age has been used as one characteristic in profiling market segmentation (Catterall and Maclaran 2001). For example, people with younger cognitive ages possess increased fashion interests (Wilkes 1992) and tend to participate more frequently in entertainment-related and cultural-related activities (Mathur and Moschis 2005).

Inspired by the impact of cognitive age on consumption behavior, this study further suggests that the cognitive age of middle-aged consumers may in fact be tied to their attitudes toward health as well. Although most middle-aged people are starting to become aware of aging for obvious reasons and consequently to feel vulnerable because of suffering health problems (Arras, Ogletree, and Welshimer 2006), young cognitive aged people who strive to maintain their youth’s embrace more positive health-related attitudes. The reason for this is consistent with Szmigin and Carrigan’s (2001) argument that attitudes toward future orientation will change consumption attitudes, in this case the attitudes of middle-aged consumers. However, few studies have empirically explored the relationship between people’s cognitive age and their concern for health.

**The Mediated Relationship of Cognitive Age**

Of particular interest to our analysis is the impact of cognitive age as a mediating function. We suggest that cognitive age primarily acts to change attitudes or behaviors; but we also argue that attitudes to age (i.e., cognitive age) are socially constructed by demographic variables (Catterall and Maclaran 2001). In other words, the way people view their roles in society, based on chronological age, household income, health, work status, gender, and occupation, influences their distinctive perception of cognitive age.

Despite the obvious importance of cognitive age in the field of health, without testing the mediation hypotheses, one can't be sure that cognitive age even has any direct impact on concerns for health in a causal sense; by contrast, there is a known causal influence on concerns for health by demographic variables (Arras, Ogletree, and Welshimer 2006). For example, chronological age is a contributor to changing health concerns because the symptoms associated with the aging process remind people, even force people, to take care of their health (Arras, Ogletree, and Welshimer 2006; Weitzel 1989). On the other hand, other researchers argued that chronological age is not related to health-related attitudes or behaviors (Armitage, Norman, and Conner 2002; Bosma et al. 2004). For example, Armitage et al. (2002) surveyed 124 respondents in the U.K. between the ages of 30 and 41 and found that age was not related to behaviors and attitudes toward health, such as getting one’s health checked by a physician.

With these seemingly contradictory findings on the impact of chronological age, we suggest that while chronological age is important, it may not be as critical a determinant in middle-aged people’s changing attitudes toward health-related issues as cognitive age (Catterall and Maclaran 2001). We further suggest that the impact of chronological age on health-related attitudes and behaviors may be mediated by cognitive age.

So far, this mediated relationship has not been adequately subjected to an empirical test (Gwinner and Stephens 2001). Noteworthy exceptions are Gwinner and Stephens’ (2001), Mathur and Moschis’s (2005), and Wei’s (2005) studies, in which structural equation models were adopted to support that older people’s cognitive age mediates the relationships between demographic variables and shopping-behavior attitudes and/or entertainment activities. We take the same approach to analyze the mediated effect...
of cognitive age in health domain and propose our hypotheses in the following sections.

**Concern for Health, Healthy Diet, and Physical Examinations**

People of a cognitively young age tend to recognize themselves as young in cognitive and physical conditions. Hooker and Kaus (1992) suggested that self-perceptions may play an important role in regulating cognitive processes associated with motivation and decision making relevant to health behaviors. Specifically, a younger and positive sense of self may drive the motivation to control one’s health (Bogg and Roberts 2004; Jang, Poon, Kim, and Shin 2004) or to prevent chronic diseases or disabilities. For example, people with concerns about their own physical condition or their diet, absorb or expect information about physical health and medication or may spend extra to acquire healthy food for a healthier lifestyle.

Middle-aged people with a young and active mind often have higher expectation, such as fulfillment of goals, social advancement, and accomplishing activities for their future, and usually have certain expectations regarding the rate of their aging. In order to correspond to their expectations, people with young cognitive ages would aggressively take actions to maintain their health. Jang, Poon, Kim, and Shin (2004) suggested that the greater one’s expectations are for successful later life including low probability of disease, high physical functional capacity, and active engagement with life, the higher one prioritizes health.

Notably, consumers’ health-related attitudes also depend on the norm of the social group (Hayes and Ross 1986). For example, look age and interest age are related to social values which are themselves engendered by certain social groups. Because being healthy is generally a characteristic of young social groups (being free of disease and physically fit) and is even attractive to them (not being overweight, and/or having a good figure), people of a cognitively young age will pursue activities that maintain physical health. Similarly, societal judgment influences the relationship between psychological and physical aspects of self (Hayes and Ross 1986). Following this rationale, this study suggests that those of a younger cognitive age tend to concern themselves with their health in order to maintain their health, to prevent any chronic illness in advance, and to be esteemed by society as young for their age.

H1: People with younger cognitive ages are more likely to concern for health.

In order to maintain health or physical fitness, middle-aged people need to have a healthy diet. Holahan and Suzuki (2004) argued that taking balanced food or controlling weight is related to perceived health and well-being in later aging. As we know, sugar, fat, calories, sodium, and cholesterol have deleterious effects on our health. Food with a high amount of fat, sugar, and cholesterol may taste good, but they increase the probability of hypertension, diabetes, heart disease, or cerebral apoplexy. A healthy diet usually includes foods with low fat, low sugar, low calories, and, unfortunately, having a rather dull taste. Middle-aged consumers who concern themselves with health need firm wills to stick with a healthy diet.

H2: People with stronger concern for health are more likely to maintain a healthy diet.

A physical examination is another health-related activity that we studied because it represents a person’s perception of the importance of health maintenance. Those who concern themselves with health generally schedule physical examinations on a regular basis. Obviously, physical examinations help prevent disease or catch early stages of disease for proper treatment (Chiou and Chang 2002). Analyzing Taiwanese elderly adults, Chiou and Chang (2002) suggested that physical examinations have a positive impact on the longevity of people over 65. Therefore, this study proposes that middle-aged people who care more about their health tend to take physical examinations more frequently.

H3: People with stronger concern for health are more likely to take physical examinations regularly.

The key point behind the above three hypotheses is that most previous research found that older people tend to concern more for their health and then take more actions on promotion health or preventing diseases. However, this study argues that people’s concern for health is not directly tied to their chronological ages, but indirectly related to chronological ages through people’s cognitive ages. In other words, under the same chronological ages, the ones with younger cognitive ages are more likely to concern about their health and further take some actions than the cognitively older ones.

**Demographic Profiles**

As has been indicated in previous research, several factors contribute to the influence of cognitive age. This study examines demographic factors in that process, including chronological age, household income, physical condition, work status, occupation, and gender.
Many previous researchers have reported that chronological age is associated with cognitive age (e.g., Gwinner and Stephens 2001; Underhill and Cadwell 1983; Wei 2005). Chronological age, for instance, may impair one’s physical or mental capabilities. In additions, older age correlates to a loss of self-esteem because of dependency which in turn brings social devaluation. Thus, the older the chronological age, the older the cognitive age (Barak, Stern, and Gould 1988). This study not only proposes that chronological age is positively related to cognitive age, but also suggests that chronological age influences people’s concern for health via cognitive age.

H4: People’s cognitive ages increase with their chronological ages growing; however, cognitive ages are younger than what they actually are.

Chronological age is not the only factor directly related to cognitive age; other demographic variables have also been found to relate to a person’s cognitive age. Gender supplies an interesting context for cognitive age. Women are indeed more sensitive to aging than men (Wei 2005), care about a youthful appearance, and hope to gain recognition with a young body. They tend to see themselves younger than their male counterparts as a result. Household income also may influence one’s perception of age. Jang, Poon, Kim, and Shin (2004) indicated that a better economic status will lead to a more positive self-perception of one’s age. Working status is another contributor to cognitive age. People with work tend to have more social involvement and have more access to fashion or technological information (Wei 2005) which might arouse a young and “in” feeling. Occupation expresses middle-aged people’s place in the social structure, implying an index of socioeconomic status. A higher job status, such as a managerial position or a professional of some sort, indicates a perceived greater contribution to society, and in turn, leads to more respect from others, a higher self-confidence and a greater sense of self-esteem; all of these are factors shaping cognitive youth. Thus, not merely having a job, but having a status job can further make people feel younger. Finally, the physical condition of a person is also a social symbol (Catterall and Maclaran 2001). Better physical condition also helps drive cognitive youth (Gwinner and Stephens 2001; Mathur and Moschis 2005).

H5: Females are cognitively younger than males.

H6: People with higher household income have younger cognitive ages.

H7: People with work are cognitively younger than people without a job.

H8: People with higher occupational status have younger cognitive ages.

H9: People with better physical condition have younger cognitive ages.

**METHODOLOGY**

**Survey Procedure and Samples**

The data of this study were collected via a door-to-door in-house survey conducted in three major cities of China: Beijing, Shanghai, and Guangdong in 2006. Since the purpose of this study is to investigate the health-related attitudes of middle-aged people to predict their health-promoting behavior during their senior years, the definition of middle age used in this study was ages 45 to 64 (Arras, Ogletree, and Welshimer 2006). Using a quota sampling process based on gender and age distribution, at least 500 residents were contacted in each city; the final usable sample size was 1543 in total, excluding 21 invalid samples due to missing items.

**Measurements**

**Cognitive Age (CA).** Cognitive age is derived by asking the following four questions: “I feel as though I am in _____ age (feel-age)?” “I look as though I am in _____ age (do-age)?” “I do things as though I am in _____ age (look-age)?” and “My interests are mostly those of a person in their _____ age (interest-age)?” (Barak and Schifffman 1981). Cognitive age is then calculated as the mean of the four questions. *Concern for health (CFH).* We adapted some items from Arras, Ogletree, and Welshimer (2006) to indicate one’s concerns about health and healthy activities. The four items used in this study were: (1) I am concerned about my physical condition and eat healthy; (2) I pay attention to health-related and medical information; (3) I care for my family’s health; and (4) I would rather spend extra money for healthy foods to eat healthy. They were on a 6-point scale, ranging from “1” (strongly disagree) to “6” (strongly agree). Healthy Diet (HD). We conceptualized the healthy diet by modifying the five items from Bogg and Roberts (2004). The items were: (1) I care about the calories in food; (2) I would pay extra to purchase organic foods without pesticides; (3) I do my best to avoid foods with high amounts of fat, cholesterol, sugar, or sodium; (4) I prefer variety in my meals; and (5) I would try some fancy or exotic food. A 6-point scale, ranging from ‘1’ (strongly disagree) to
“6” (strongly agree) was used. Physical Examination (PE). The respondents are asked to rate the frequency of their physical examinations on a 5-point scale. From lowest to highest rank, the ordinal scale is (1) never; (2) once every three years; (3) once every two years; (4) once a year; and (5) once every six months. Physical Condition. The respondents are asked to rate their current health condition on a 5-point scale. The item is coded from “1” as strongly dissatisfied to “5” as strongly satisfied. Dimensional Background. The demographic items include chronological age, gender (0 = male, 1 = female), monthly household income (HIncome) (in the ordinal scale of 12 levels), work status (in a yes or no form), and occupation (in 5 categories) of the respondent.

RESULTS

Demographic Profiles of Respondents

The ages of respondents ranged from 45 to 54, with a mean age of 52.54 (SD = 5.85); the result shows that the mean cognitive age (Mean = 46.88 years, SD = 6.79) is younger than the mean chronological age (Mean = 52.54 years, SD = 5.85). Middle-aged consumers have a tendency to view themselves as younger than their actual age; the finding, then, is consistent with previous research using western samples (Barak and Schiffman 1981; Mathus and Moschis 2005; Underhill and Cadwell 1983). In other words, the cognitive age concept has a global and consistent meaning.

The gender distribution of the sample is close to even, consisting of 769 males and 774 females. The household income of the majority of respondents ranged from 3000 to 6000 RMB (57.8%). For those who have a job (i.e., 69%), the percentage of the five occupational levels are almost distributed evenly. With respect to the respondent’s perception of their own physical condition, 5 percent expressed dissatisfaction or strong dissatisfaction, 28 percent reported neutral attitudes, 58 percent felt satisfaction, and 9 percent were strongly satisfied.

Three multi-item scales were reduced by the use of exploratory factor analysis (using Varimax rotation), namely cognitive age (loadings were 0.957, 0.952, 0.949, and 0.901 respectively), concern for health (loadings were 0.769, 0.708, 0.677, 0.550, and 0.587 respectively), and healthy diet (loadings were 0.662, 0.697, 0.722, 0.520, and 0.580 respectively) with eigenvalues all greater than 0.769, 0.708, 0.677, 0.550, and 0.587 respectively), and concern for a healthy diet (loadings were 0.662, 0.697, 0.722, 0.520, and 0.580 respectively) with eigenvalues all greater than .00, GFI = 0.97, AGFI = 0.96, RMSEA = 0.050, NFI = 0.97, and NNFI = 0.97).

An examination of the individual item loading is both large and significant, indicating the existence of convergent validity (see Table 1). The composite reliabilities of cognitive age, concern for health, and concern for a healthy diet are greater than the standard of 0.6 suggested by Bagozzi and Yi (1988) (see Table 1). Further, if the confidence interval of the correlation between any two latent constructs (as shown in the phi-matrix) excludes 1, it indicates that the measurement model reaches discriminate validity (Smith and Barclay 1997). The results provide acceptable discriminate validity with confidence after checking the phi-matrix.

Structural Model Analysis

The analysis was conducted via the structural model and the hypothesized relationships are presented in Figure 1 and Table 2. Although the \( \chi^2 = 641.92 \), \( p < 0.00 \) is significant, other indicators of the overall fit suggest a good fit of the model (GFI = 0.96, AGFI = 0.95, RMSEA = 0.046, NFI = 0.95, NNFI = 0.95, CFI = 0.96, and PNFI = 0.76).

With regard to the hypothesized relationships between the endogenous variables, respondents’ cognitive age is negatively related to their concern for health (Standardized estimates = -0.06, \( t\text{-value} = -2.07, p < 0.01 \)). Accordingly, H1 is supported. The relationship between respondents’ concern for health and healthy diet plans is in fact positive and significant (Standardized estimates = 0.73, \( t\text{-value} = 12.66, p < 0.01 \)), consistent with H2. The stronger concern for health leads to a higher frequency of physical examinations (Standardized estimates = 0.23, \( t\text{-value} = 7.32, p < 0.01 \)), in which H3 is supported.

Regarding the relationships between demographic and physical variables and cognitive age, as expected in H4, people’s chronological age and perceived cognitive age are positively correlated (Standardized estimates = 0.77, \( t\text{-value} = 40.81, p < 0.01 \)). Furthermore, the result of a paired t-test on comparing respondents’ chronological and cognitive ages show that the differences between chronological age and cognitive age are statistically significant (\( t\text{-value} = 53.809, p < 0.01 \)) where cognitive age is significantly lower than chronological age (mean cognitive age = 52.54 versus mean chronological age = 46.88). Women tend to have a younger cognitive age (Standardized estimates = -0.02, \( t\text{-value} = -1.51, p < 0.10 \)).
TABLE 1
Final Measurement Model

<table>
<thead>
<tr>
<th>Standardized Factor Loading</th>
<th>t-value</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CA1</td>
<td>0.96</td>
<td>50.82***</td>
</tr>
<tr>
<td>CA2</td>
<td>0.93</td>
<td>48.27***</td>
</tr>
<tr>
<td>CA3</td>
<td>0.94</td>
<td>49.16***</td>
</tr>
<tr>
<td>CA4</td>
<td>0.84</td>
<td>40.80***</td>
</tr>
<tr>
<td>Concern for health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFH1-1</td>
<td>0.61</td>
<td>21.15***</td>
</tr>
<tr>
<td>CFH2-2</td>
<td>0.57</td>
<td>19.72***</td>
</tr>
<tr>
<td>CFH3-4</td>
<td>0.55</td>
<td>18.99***</td>
</tr>
<tr>
<td>CFH4-5</td>
<td>0.42</td>
<td>14.09***</td>
</tr>
<tr>
<td>Healthy diet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HD1-14</td>
<td>0.54</td>
<td>19.11***</td>
</tr>
<tr>
<td>HD2-21</td>
<td>0.60</td>
<td>21.48***</td>
</tr>
<tr>
<td>HD3-22</td>
<td>0.62</td>
<td>22.15***</td>
</tr>
<tr>
<td>HD4-26</td>
<td>0.37</td>
<td>12.77***</td>
</tr>
<tr>
<td>HD5-27</td>
<td>0.42</td>
<td>14.31***</td>
</tr>
</tbody>
</table>

Note: *** Significant at 0.01 ** Significant at 0.05 * Significant at 0.10.

than men do as proposed in H5. A significant and negative relationship is found between household income and cognitive age (Standardized estimates = -0.03, t-value = -1.83, p < 0.05) which is consistent with previous research (Jang et al. 2004) and H6. The influence of economic status on cognitive age is also revealed in the resulting patterns of occupation. Middle-aged respondents with a job are likely to have a cognitively younger age (Standardized estimates = -0.04, t-value = -2.24, p < 0.01). Further, the higher occupational status, the lower cognitive age (Standardized estimates = -0.07, t-value = -4.29, p < 0.01). H7 and H8 are both supported. In addition, the results also show that there is a tendency for poor physical condition to raise the cognitive age (Standardized estimates = -0.08, t-value = -5.32, p < 0.01), as proposed in H9.

The Mediating Effect of Cognitive Age

In order to test the “mediated paths” of cognitive age, this study adopts Garbarino and Johnson’s (1999) suggestion by comparing the hypothesized mediating model with a less parsimonious rival model without the mediator. In the rival model, all exogenous variables (i.e., six demographic and physical variables) directly affect all the endogenous variables (i.e., cognitive age, concern for health, healthy diet, and physical examinations). Further, we compared their fit via several features: (1) overall fit statistics, (2) percentage of significant paths, and (3) parsimony of the model, to decide whether the hypothesized mediating model is better or not.

The results show that the hypothesized model (Figure 1) is better on all measures. First, the hypothesized mediating model fits the data better (hypothesized model: $\chi^2_{(153)} = 641.92 \ (p < .00), \ GFI = 0.96, \ AGFI = 0.95, \ RMSEA = 0.046, \ NFI = 0.95, \ and \ NNFI = 0.95, \ CFI = 0.96, \ PNFI = 0.76$; nonmediational model: $\chi^2_{(141)} = 2185.72 \ (p < .00) \ GFI = 0.91, \ AGFI = 0.87, \ RMSEA = 0.079, \ NFI = 0.83, \ and \ NNFI = 0.78, \ CFI = 0.84, \ PNFI = 0.61$). Second, a larger percentage of the paths are significant in the hypothesized mediating model versus the rival model (100% versus 70%). Third, the hypothesized mediating model is more parsimonious than the rival model (9 versus 27 paths). Taken altogether, the nonmediational model is rejected in favor of the hypothesized mediating model; that is, consumers’ cognitive age mediates the effects of the six demographic physical variables with respect to their concern for health, healthy dieting and frequency of physical examinations.

CONCLUSIONS AND DISCUSSIONS

Since the desire to maintain youth has become a global trend, middle-aged consumers may view themselves as still young to fulfill their self-concept, thereby enhancing
FIGURE 1  
Hypothesized Structural Model of Cognitive Age, Antecedents, and Consequences.

Note: ***Significant at 0.01  **Significant at 0.05  *Significant at 0.10

TABLE 2  
Estimates of the Hypothesized Structural Model

<table>
<thead>
<tr>
<th>Path/Hypothesis</th>
<th>Estimates</th>
<th>Standardized Estimates</th>
<th>T-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA → CFH (H1)</td>
<td>0.00</td>
<td>-0.06</td>
<td>-2.07***</td>
</tr>
<tr>
<td>CFH → HD (H2)</td>
<td>0.81</td>
<td>0.73</td>
<td>12.66***</td>
</tr>
<tr>
<td>CFH → PE (H3)</td>
<td>0.50</td>
<td>0.23</td>
<td>7.32***</td>
</tr>
<tr>
<td>Chronological age → CA (H4)</td>
<td>0.90</td>
<td>0.77</td>
<td>40.81***</td>
</tr>
<tr>
<td>Gender → CA (H5)</td>
<td>-0.33</td>
<td>-0.02</td>
<td>-1.51*</td>
</tr>
<tr>
<td>HIncome → CA (H6)</td>
<td>-0.08</td>
<td>-0.03</td>
<td>-1.83**</td>
</tr>
<tr>
<td>Work status → CA (H7)</td>
<td>-0.66</td>
<td>-0.04</td>
<td>-2.24***</td>
</tr>
<tr>
<td>Occupation → CA (H8)</td>
<td>-0.37</td>
<td>-0.07</td>
<td>-4.29***</td>
</tr>
<tr>
<td>Physical condition → CA (H9)</td>
<td>-0.77</td>
<td>-0.08</td>
<td>-5.32***</td>
</tr>
</tbody>
</table>

Note: *** Significant at 0.01  ** Significant at 0.05  * Significant at 0.10.

a Gender was coded as 0 = male, 1 = female.

their concern for their own health, and consequently their concern for a healthy diet and regular physical examinations. This study, surveying middle-aged consumers in China as an example, brings the fields of the psychology of aging and the concern for health together. The study’s major findings demonstrate that cognitive age plays a mediating role between demographical and physical variables (i.e., chronological age, household income, physical condition, work status, occupation, and gender). Specifically, cognitive age appears to be influenced by demographic and physical variables and then, to shape one’s concern for one’s own health.
The findings indicate that a younger cognitive age correlates to a greater concern for personal health. Those who feel young may have higher expectations for their future and a desire for dignity and independence. Therefore, they would harbor continued life-long preventive health attitudes in their middle ages to improve their health and quality of life in later life (Arras, Ogletree, and Welshimer 2006).

The substantial influence of people’s concern for health on relevant behavior is also enhanced in this study. Consumers with a positive attitude toward healthy issues tend to follow the habits of eating a healthy diet and having regular physical examinations. Accepting foods with lower sugar content and less saturated fat defies the impulse to seek pleasure, but can maintain a desirable health condition. Spending extra time on physical examinations and discovering possible diseases also requires the courage to be checked regularly, even though knowing one’s health status can help to uncover the potential risks in advance.

Consumers’ chronological ages and cognitive ages are closely tied together. The remarkable point is that middle-aged consumers tend to perceive themselves younger than what they actually are. This phenomenon has been revealed in both Western and Eastern societies (Mathur and Moschis 2005). “Feeling young” has been revealed as a global trend of consumer behavior.

Similar to the findings of previous research, the results of this study also show that females with a higher household income, who are still working, and especially those with a high status occupation, or are in good physical condition tend to perceive themselves as younger. The younger perception then makes consumers pay more attention to health-related issues in order to stay in shape. It is important to notice that the influential process has to go through the mechanism of cognitive age. The direct effects of chronological age, gender, and other demographic and physical factors on health-related attitudes and behaviors are not as strong as the mediating effect of cognitive age.

The findings help to illuminate how cognitive age is a better guide to understanding middle-aged consumers. From a public health perspective, which this paper ostensibly concerns itself with, the conclusion to be drawn from this is that there has to be efforts to improve people’s cognitive age so that they proactively protect their health better. From a marketing standpoint, the implication is to understand target customers’ cognitive ages to provide better fit products.

We offer also three implications to marketing managers in food manufacturing and/or health service companies. First, when targeting middle-aged consumers, medical or healthcare centers should pay more attention a customer’s cognitive age rather than chronological age. The cognitively young generally exhibit greater concern for health and are more likely to accept the idea of regular physical examinations. Second, when health service companies or food manufacturers want to promote products on television to middle-aged consumers, the models of advertising should fit the cognitive age of target customers. This means that the model should be younger than the target audience because this is how middle-aged consumers see themselves. While these models may attract those of chronological young age, they maybe too young to recognize the importance of health. Hence, their target group still is those middle-aged consumers with a younger cognitive age. Third, marketers of healthy foods may emphasize medical findings in campaigns to raise consumers’ awareness of health issues and/or encourage consumers to maintain their younger look and attitudes before promoting a healthy diet.

Healthy diets and physical examinations are the only two behavioral examples in this study to explore the linkage between concern for health and health-promoting behaviors. Future studies may investigate other healthy behaviors, such as different types of exercises, which no doubt provide further interesting insights. The focus of this study is on consumers aged 45 to 64, which means the results of this study should not be easily generalized to other age groups. While one of our intentions is to capture people’s thoughts and lifestyles before they are old so marketers and governors can be better prepared for the aging population, we recognize that people 65 or older may not maintain similar attitudes and perceptions as they did before. In addition, the results of this study are based on respondents in Beijing, Shanghai, and Guangdong that cannot be generalized to other part of China, especially not to rural areas. Further studies on cognitive age and health-related issues in other regions of China and other countries would be useful to compare for marketing reasons.

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REFERENCE


CUSTOMER PERCEPTIONS OF DISCRIMINATION IN RETAIL SETTINGS

Edith F. Davidson, Auburn University
Herbert Jack Rotfeld, Auburn University

SUMMARY

While the marketing literature discusses the basic planning need to find segments “most likely” to be customers of the company, the retail sales context provides a problem when clerks respond to individuals in terms of their own perceptions of customer segments who can be thought to fit in certain groups. Since there is a great variation among members of different demographic groups, this tendency to not treat customers as individuals blinds these front-line marketing personnel to the individual customers’ perceptions or interests. When dealing with racial minority customers who might enter the store with their own past experiences or expectations of biased treatment, the clerks’ mistakes of treating them as group members instead of individuals could result in negative customer perceptions which, in turn, could develop into lost customers, complaints or even law suits of discriminatory treatment.

Some of the wide-ranging literature on racial perceptions frames basic research questions and potential retail training responses that should handle such problems.

From the perspective of marketing issues, the direct concern is the consumers’ perception of discrimination in addition to actual discrimination. Actual experiences and expectations of African-American shoppers influence their own desires and needs in a retail setting, and the literature on those expectations reviewed in this presentation provides direction for needed additional research so businesses can better understand ways to minimize problems. Given the diverse nature of the marketplace, it is critical that marketers understand how these perceptions are experienced in exchange environments.

There are three perspectives from which the phenomenon of perceived discrimination may be examined – the perspective of the person accused of engaging in the behavior (the actor), the perspective of the person who perceives the action as directed toward him/herself (the target), and the perspective of an observer who is not directly engaged in the encounter (3rd person). Each of these perspectives may be different even when describing the same event and they provide a one approach for organizing the relevant literature. In addition, researchers must consider the roles of consumers, retail sales associates and the retail environment overall. When customers and sales associates interact with each other in retail settings, each enters the exchange with his or her own expectations and perceptions, and as they interact, each person’s expectations and perceptions influence the exchange.

As should be intuitively obvious, customer perceptions are influenced by each individual’s prior experiences and associated beliefs; perceptions of an employee and that employee’s performance are influenced by the consumer’s relevant social and cultural experiences. Customers are interacting with salespeople who also have goals and motives for engaging in exchanges and the salesperson’s perceptions, influenced by his or her previous experiences and beliefs, govern the choice of how to treat different people (Fine and Schumann 1992; Rotfeld 2002).

Perceived discrimination is indeed a real problem for minorities in marketing environments. Despite significant advances toward achieving economic equality, minorities continue to perceive treatment at restaurants, stores, car lots, and other retail settings as discriminatory. One step to understanding discrimination and racial profiling is to understand how perceptions of such behaviors arise. While there are many surveys reported of experiences with discriminatory treatment, and a large amount of data from case law of illegal discrimination, the more hidden interest for marketing managers seeking to serve consumer needs would be in terms of needed insight on the context and nature of the consumer experiences.

As noted at the outset, marketing interest has focused on segmentation issues, but the more pressing need would be insight into consumer perceptions of the retail environment, either as customers or third-party observers. Even if not verging on the illegal, causing experiences of discrimination in the retail situation is a mistake of looking only and group segments and misunderstanding the needs of customers as individuals. The prevalence and magnitude of perceived discrimination in retail settings and the lack of research in this area by consumer researchers
mandate additional inquiry. As long as “shopping while black” continues to have negative connotations for a majority of African Americans, there will be a need for research investigating the phenomenon of perceived discrimination. This presentation provided direction for that often-missing research.

REFERENCES


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SOCIAL ENTREPRENEURSHIP: HOW MARKETING SCHOLARS CAN CONTRIBUTE TO THIS EMERGING DISCIPLINE

Paul N. Bloom, Duke University, Durham

SUMMARY

Social Entrepreneurship has become a hot field. Inspirational stories about pioneers like Mohammad Yunus, the Nobel-prize-winning founder of the Grameen Bank’s micro-finance program, and Wendy Kopp, the founder of Teach for America’s program that recruits recent college graduates to teach in inner-city schools, have sparked interest in how others can be encouraged to launch and manage innovative ventures that have significant social impact. Philanthropists and investors, many of whom were successful business entrepreneurs, are now supporting foundations (e.g., Skoll, Case) and nonprofits (e.g., Ashoka, Civic Ventures) that identify, fund, and advise social entrepreneurs. In response, students, restless executives, second-career seekers, and academic scholars are flocking to study and join this booming field.

As they look to scale up and increase their impact, social entrepreneurs are not finding very much academic research to guide them. To date, most of the research in this field has involved case studies in which “success stories” are recounted. Failures are rarely discussed. In general, the insights gained from these studies draw on concepts from organizational behavior and management, stressing the value of things like leadership, staying on mission, metrics, training, information sharing, flexibility, and collaboration. While these insights have been valuable, much more can be learned by drawing on thinking in other academic disciplines, particularly marketing. Tools of marketing such as branding, market segmentation, penetration pricing, franchising, word-of-mouth promotion, and sponsorships all have great relevance to social entrepreneurs. However, marketing thinking and concepts have rarely been considered in the research on social entrepreneurship, regardless of whether the research has employed case studies or other methods (e.g., surveys, experiments). Here are a few research avenues to pursue.

Marketing scholars have considerable experience studying consumer behavior and there are many ways the work done in this territory could be extended into the social entrepreneurship domain. For example, investigations have been done – primarily in the form of laboratory experiments – on consumer responses to “cause” marketing programs (e.g., Ford’s sponsorship of the Susan G. Komen Foundation’s Race for the Cure). The work has explored how an alliance between a corporate brand and a social cause affects consumer attitudes and behaviors toward the corporate brand. Continued research in this area, identifying the conditions under which an alliance with a social cause can improve attitudes and behaviors toward a corporate brand (e.g., when brand-cause fit is high, when companies are perceived as sincere), could definitely provide guidance to social entrepreneurs on how to make a persuasive case for support from potential corporate sponsors. An extension of this work could examine the impact of such alliances on consumer attitudes and behaviors toward the cause brand, providing guidance to social entrepreneurs on where they need to be cautious about entering into alliances with companies as well as on how to measure and maximize the value of cause marketing programs beyond merely financial returns.

Consumer researchers from the marketing field have also done work – using both laboratory and field experiments – on how to persuade people to engage in socially-beneficial behaviors such as eating better, quitting smoking, avoiding drinking and driving, and wearing sunscreen. This work has helped “social” marketing campaigns identify what kinds of appeals (e.g., fear, humor), media (e.g., mass, word-of-mouth), and spokespersons (e.g., celebrities, health professionals) are most effective in certain situations. Additional research along these lines could have great relevance to social entrepreneurs, since many are seeking to persuade people to engage in pro-social behaviors (e.g., participate in loan circles, teach in inner cities, cease substance abuse). Extending this research to examine what kinds of persuasive communications would be most effective for recruiting volunteers and donors would be particularly helpful, as social entrepreneurs frequently rely heavily on volunteer talent and donated funds. While there has been considerable research in other disciplines on why and how people volunteer and donate, less has been done on how to formulate effective messages and campaigns to increase how much time and money people give.
Other research areas from marketing that could have relevance for social entrepreneurship include work that has been done on:

- What determines a brand’s “personality” – which could help social entrepreneurs identify which attributes of their offerings are likely to leave distinctive impressions with their stakeholders.
- How consumers interpret low prices – which could help social entrepreneurs decide whether charging a low price for offerings would convey a signal of poor quality rather than high value?
- What makes an effective salesperson – which might identify traits that would make an effective social entrepreneur?
- How to maintain effective control over distributors – which might provide ideas on how social entrepreneurs can work more productively with affiliates?
- How to measure the effectiveness of advertising and marketing – which might provide ideas on how social entrepreneurs can measure their impact?

Clearly, there are many other research areas in marketing that have relevance to social entrepreneurship. Hopefully, a mutually beneficial dialogue between scholars in marketing and social entrepreneurship will emerge soon, producing a wave of new, exciting, and helpful research. This special session, where presentations will be made by Beverly Schwartz of Ashoka, Christine Fanning of The Case Foundation, and Melissa Bradley of New Capitalist, will hopefully serve to stimulate that dialogue.

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SPECIAL SESSION

CHANGING CONCEPTS OF “THE PUBLIC” IN PUBLIC POLICY

Maria Ivancin, American University School of Communication, Washington, DC

SUMMARY

Technology has opened up new channels to reach consumers. Marketers in all areas have more opportunities to reach people with their messages, but consumers are also changing the role that information plays in their decision-making processes. Not only do consumers have greater options when in the information gathering stage of the consumer behavior process, they are increasingly playing a role in creating and disseminating information to others. In the process, they are creating new, unexamined forms of media and displacing old models of communication and persuasion.

This opportunity has been recognized by the nonprofit community (as well as other governmental and public sector organizations). Traditionally faced with small budgets and few resources, nonprofits have recognized the Internet as a tool to help them achieve their marketing goals. But they have also discovered that the power of the new media far exceeds just this simple top-down/broadcast method of reaching their audiences. The Internet has changed the scope of engagement for nonprofits by directly connecting them with people who are interested in their issues and causes while also connecting these people to others who are of similar mindsets. Nonprofits are using this global interaction to develop public media – encompassing traditional and new media forms – to help them set new agendas and to frame issues in ways that would be most compelling. Public media has changed from being for the public to being by the public. It is the consumer, the citizen, the various publics who are actually setting the agenda. The result is “citizen engagement” – a more motivated and capable public striving to influence public policy.

While these opportunities are exciting and the potential benefit is huge there are some unknowns for marketers and researchers. Just how far are we reaching? What is the nature of the audiences that we are reaching? How does the message change along the way? What impact are we truly having and why? What control do we have in the process? How can we monitor the process? What is the influence/role of “infiltrators” (competitors and opposing viewpoints)? And, ultimately, how do we measure it so that we can determine the effectiveness of our efforts?

Session Presentations

This session will explore these questions through case studies showing some of the many public media projects and their wider implications for marketing in a changing public sphere. The cases will be supported with research on the impact of some of these new forms of engagement. The session will demonstrate how existing publics, enabled by technologies such as the Internet, online social networks, blogs, etc., can connect to other individuals/publics, expanding the opportunities to exchange and collaborate, thereby having greater impact. It will also show how some of these connections can be mapped and analyzed to better understand the dynamics in reaching the publics and the influence that the publics play in furthering the strategies of nonprofits. And finally it will show some of the work that is being done in developing a theoretical framework for monitoring and measuring the reach and the impact that these types of connections may be having. Descriptions of the presentations follow.
Special Session: Changing Concepts of “The Public” in Public Policy

MAKING CONNECTIONS: THE EMERGING MEDIA NETWORK

Jessica Clark, American University, Washington, DC

SUMMARY

Jessica Clark will discuss the debates surrounding the formation and use of new “networks” used by advocates, policymakers and mediamakers to communicate with the public, paying particular attention to the expanding role of the “activist audience.” Via blogs, digital video, social network sites and other Web 2.0 tools, publics interested in political and social issues have become increasingly more empowered, both creating their own media and participating in collaborative media experiments with established nonprofits and outlets. This presentation will illustrate these tools and their application.
SUMMARY

Katja Wittke will present a case study on The War Tapes, an independent film project made with a New Hampshire National Guard unit in Iraq. In this project, three soldiers filmed their experiences in Iraq while being directed with Web 2.0 technologies and marketed the result using blogs, websites, theatrical screenings, television and home video and educational distribution. This project was done in cooperation with the National Guard (commanders, public affairs officer). The study shows the path the film has taken from inception, the publics it has reached, the discussion that it has generated, and the type of attention it has garnered.
CONNECTING NONPROFITS WITH THEIR PUBLICS: NEW APPROACHES TO ENGAGEMENT

Stephanie de Chassy, One World United States

SUMMARY

Stephanie de Chassy will present case studies from OneWorld, a global online hub for groups and individuals interested in international issues. The cases will illustrate how NGOs can bring individuals together to network, collaborate and learn from each other. OneWorld has used technology to expand the view of the public for nonprofits and to help them engage with new audiences in a more compelling and effective manner.

These cases and research have application for social marketing and marketing for nonprofits, politics and issues management as well as those interested in new media channels.

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PUBLIC-PRIVATE COLLABORATIONS: PUBLIC SERVICES AND BRAND VALUES

Francisco Guzmán, University of North Texas, Denton
Jordi Montaña, ESADE Barcelona, Spain
Vicenta Sierra, ESADE Barcelona, Spain

SUMMARY

As a direct consequence of the inability of the public sector to satisfy the needs of citizens, in the nineteen seventies, several models emerged in response to the search for more efficient ways to create public value. The models range from governmental and public management modernization processes to the creation of new State models. What most of these models had in common was the suggestion or assumption that the relationships between the State and the market, or between the public and private sectors, be restructured into more flexible or even dynamic relationships.

This treatise focuses on the relationships between market and State, or to be more precise, between private for-profit companies and the public sector. This article suggests an alternative way to create public value. The collaborative scheme presented balances the public sector’s need to generate alternative funding and the private sector’s desire to develop well-differentiated brands.

Mendoza’s (1995) Relational State Model serves as a basis for the collaboration scheme. It fits the collaboration scheme because it maintains the principles of universality and social cohesion characteristic of a state model with the intervention mechanisms of private enterprise. The Relational State Model discards the separation of the private and public spheres, the belief that public intervention can resolve different social problems by itself, and the conviction that State production is the best way to guarantee a fair distribution. Instead, it rests on the subsidiarity principle: wherein each policy is implemented by the actor or actors which can best perform it.

In this article, a public-private collaboration is established when a private for-profit firm gives material or economic resources, and/or management capabilities, in order to implement a public policy, and is allowed in turn to associate its brand to it in order to complete a mutually beneficial scheme. Public-private collaboration is distinguished from public-private partnerships (PPP) by a more lax contractual arrangement and the lack of a formalized procurement process to select the partner. Likewise, under this scheme, the private sector firm does not, as in privatization, become the owner of the service.

It is assumed here that public services exist that inherently contain social values to which private firms may wish to associate to. Assuming that the public budget is limited such that more resources are always needed in order to offer services, certain congruence exists for the State to generate collaboration programs through which private firms can provide the extra resources to implement these policies. By participating in this type of collaboration, private firms leverage their brand equity by associating to the social values inherent to public services.

How would government or a company determine what kind of public services are suited for this type of collaboration? By analyzing reference group influence companies and governments can determine which kinds of public services are suited to private sector branding, so that consumers associate them with the values the company wants to convey. By adapting the reference group influence model proposed by Bearden and Etzel (1982), a model was created to help comprehend how reference group influence and brands determine the consumption of public services provided under a public-private collaborative scheme. The model was tested using data gathered in Mexico City and Barcelona.

The experimental study was divided into two stages. During the first stage, public services were classified into four categories: publicly consumed-primary services (PUP), publicly consumed-secondary services (PUS), privately consumed-primary services (PRP), and privately consumed-secondary services (PRS). Two public services from each category, in each context, were selected for measuring reference group influence. In the second stage, reference group influence over each of the selected services was measured. To do so, the reference group influence scale developed by Park and Lessig (1977), together with a six-point bipolar agree-disagree scale, were used.
To evaluate the model, a 2 (contexts) x 2 (product vs. brand) x 4 (PUP vs. PUS vs. PRP vs. PRS) three-factor design was used for testing the model, with context (i.e., city) being the between-subjects factor, while type of influence and category were the within-subjects factors. The data were analyzed using a mixed factorial MANOVA, which included the city (Mexico City vs. Barcelona), the type of influence (product vs. brand), and the category (PUP vs. PUS vs. PRP vs. PRS) as independent variables; and the informational, utilitarian, and value expressive measures as dependent variables.

The reference group influence model does not evaluate whether the public service values and the values of the brand are compatible, but it does indicate which kinds of services, according to level of reference group influence, may represent better leveraging opportunities. From the analyses, it can be concluded that both secondary and publicly consumed services represent a good option for firms who want to associate their brands to social values, given that product reference group influence is stronger over secondary services, and brand reference group influence is stronger over publicly consumed services. References available upon request.

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APPEALS TO CONSUMER RESPONSIBILITY AND IMPROVING STRUCTURAL CONDITIONS AS MEANS TO PROMOTE SUSTAINABLE CONSUMER BEHAVIOR

John Thøgersen, University of Aarhus, Denmark

SUMMARY

Few question that private consumption in the rich parts of the world is unsustainable or that its negative environmental impacts need to be reduced. The controversy is limited to how the problem should and can most effectively be solved. In this perspective, a key question is which is the most important limiting factor for achieving a sustainable consumption pattern: (a) the extent to which consumers assume responsibility for their acts or (b) structural conditions determined by industry and governments? This is, of course, an empirical question, but surprisingly little research exists on the question.

This paper is a step towards filling this gap. By measuring a relevant behavior before and after a (naturally occurring or experimentally induced) change in an important structural condition, the behavioral effects of altering the structural condition are quantified. The extent to which members of the population assume responsibility for behaving in a sustainable way is measured with a survey instrument and treated as a between-subjects factor. This method is applied in two studies.

Study 1: Source-Separation of Kitchen Waste in Herning

Based on self-reports, this study analyzes source-separation of kitchen waste in two groups before and after the implementation of a collection scheme in Herning: (a) 290 residents in Herning Municipality living in a house with a garden (a prerequisite for recycling this type of waste in the absence of a collection scheme) and (b) a matched control group of 411 residents of other Danish municipalities without a collection scheme for this type of waste. The change in the amount of source-separation from before to after the implementation of the new collection scheme in Herning, over and above any change in the control group, can be attributed to the scheme. The difference between citizens with strong and weak moral norms for this behavior serves as a measure of the maximum impact obtainable with a campaign aimed at strengthening felt responsibility to source-separate one’s waste. Data was collected by means of telephone interviews. The demographic profiles of the two groups was statistically identical.

A 2 (Herning resident vs. control group) x 2 (weak vs. strong moral norm) x 2 (before vs. after) mixed between and within subjects design is applied to the data. As expected, the pattern of means differ between Herning residents and the control group. In the control group, the overall change in behavior between the two measurement points is not significant (F = 0.482, p = .48). However, there is a significant difference between those with strong and weak moral norms (F = 70.904, p < .001). In the Herning group, there was a significant increase in source separation between the two measurement points (F = 186.667, p < .001) and so is the difference between those with strong and weak moral norms (F = 8.963, p < .01).

An analysis of the means shows that the maximum obtainable effect of a campaign aiming at strengthening felt responsibility was 0.31 units on a 5-point scale (average for all households living in a house with a garden). By making structural conditions more facilitating for the desired behavior, in the analyzed case by implementing a collection scheme for the targeted waste, a behavioral impact of 1.81 on the 5-point scale was achieved.

Study 2: Commuting by Public Transport in Copenhagen

A random sample of 748 car-owners in the greater Copenhagen area was randomly assigned to receive a free month travel card or serve as a control group. For subjects in both groups, the use of public transport for commuting was measured by means of self-reports before and after the intervention. The study is limited to short-term effects. The difference between citizens with strong and weak moral norms for commuting by public transport serves as a measure of the maximum impact obtainable with a campaign aimed at strengthening felt responsibility for this behavior. Data was collected by means of telephone interviews. None of the included demographic descriptors differed significantly between experimental and control groups.

A 2 (receivers of a free month travel card vs. control group) x 2 (weak vs. strong moral norm) x 2 (before vs. after) mixed between and within subjects design was applied. As expected, the pattern of means differed be-
between the receivers of a free travel card and the control group. Among control group subjects, behavior did not change significantly between the two measurement points ($F = 0.325, p = .57$). However, those with strong moral norms used public transport significantly more than those with weak moral norms ($F = 17.433, p < .001$). In the free travel card group, the use of public transport increased significantly between the two measurement points ($F = 15.721, p < .001$). Like in the control group, those with strong moral norms used public transport significantly more than those with weak moral norms ($F = 16.973, p < .001$).

An analysis of the means shows that, a campaign which moved everyone to the strong moral norm group would produce a (slightly) larger increase in the use of public transport (maximum average effect across the whole sample of 0.97 trips out of 10) than making the service free for all (from 0.7 to 1.4 out of 10 trips on average).

Discussion

The studies presented here suggest that when the goal is to reduce the environmental side-effects from consumer activities, there is often more to gain from changing structural conditions than from a campaign targeting consumer feelings of responsibility. A collection system for compostable kitchen waste nearly doubled source separation among people living in a house with a garden and offering public transport for free doubled commuting by public transport among Copenhagen car-owners. If public transport was made free on a permanent basis, this might influence decisions about where to buy a home or apply for a job and thereby increase the use of public transport more in the longer than in the short run.

Changing structural conditions to be more facilitating for sustainable consumer choices is rarely free. However, neither are campaigns aiming at increasing consumer responsibility.

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CONSUMER PREPARATION FOR DISASTERS: CONCEPTUAL UNDERPINNINGS AND POLICY IMPLICATIONS

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ABSTRACT

This paper examines classic and current research into the response to diverse disaster situations to develop a framework of consumers’ actions before disaster occurs. Concepts related to the nature of the disaster and theoretical constructs that influence consumers to purchase and prepare are explored. Marketers can look at these potential influences and attempt to adjust their marketing plans, and public policy makers can use them to increase compliance with preparedness recommendations.

INTRODUCTION

Unfortunately, predicted and actual disasters have historically triggered significant consumption activity, whether for preparations before the event or in reconstruction afterward. Products bought, and those which are not bought, can affect the well-being of individuals and communities. They are, therefore, of considerable interest to policy makers, managers and researchers in a variety of fields. The terrorist attacks of September 11, 2001, the hurricanes of 2005, the Asian tsunami of 2005, and the devastating results of Hurricanes Katrina and Rita in 2005 have raised marketers’ and policy makers’ awareness. In a recent article, Delorme et al. (2004) focused on the threat of property loss due to natural disasters, while a special session in the 2006 Marketing and Public Policy Conference (Ellen et al. 2006) and a forthcoming special issue of the Journal of Marketing and Public Policy investigated various aspects of post-disaster response behavior. This paper complements that research by looking at buying behavior before a disaster, outlining relevant consumer behavior theories, and providing suggestions for public policy makers to increase compliance with preparedness recommendations.

In this paper, the word “disaster” is defined to encompass a wide range of tragedies: natural or man-made, sudden or with advanced warning, unintended or planned. More specifically, natural disasters can include hurricanes, tornadoes, earthquakes, tidal waves, and floods; man-made disasters involve technological failures such as nuclear, chemical, or biological emergencies. Disasters can also derive from negative interactions among human beings (classified as civil disasters), including terrorism, riots and famine (McEntire and Myers 2004).

When investigating consumers’ response to disasters, McEntire and Myers (2004) identify the important dimensions of a threatened calamity as its predictability, controllability and destructive potential. Hurricanes, for example, fall into the predictable category, as they are tracked from their initial formation, giving hours or days of advanced notice. In contrast, science has not yet developed technologies to provide more than 15 minutes’ warning in advance of earthquakes or tsunamis. Meanwhile, the predictability of man-made disasters depends on man’s competence, either in managing and monitoring potential hazard sites or in uncovering terrorist plots.

Controllability relates to how much individuals or communities can do to mitigate forthcoming damage and/or danger. It can be, but is not necessarily, related to both predictability and destructive potential: the greater forewarning, the better the control over vulnerability to negative outcomes and greater the opportunity to avoid or mitigate adverse consequences. While the 1993 bombing of the World Trade Center in New York was unexpected, its destructive power was small; “only” half-a-dozen people killed and a parking garage and lower floors of the towers harmed. As a consequence of that bombing, however, employees of Morgan Stanley Dean Witter were practiced in their emergency evacuation procedures and were able to implement them successfully in 2001; although the company had the largest number of employees in the World Trade Center, it suffered relatively few injuries and deaths on 9/11/2001.

By analyzing the current available literature, we hope to gain insight into what truly drives consumers to act and to purchase before disasters. We are interested in uncovering pre-disaster behavior, understanding the theories that help explain why people behave certain ways before
disasters, and the marketing and public policy implications of these findings. Disasters vary along three dimensions: predictability/warning, controllability, and destructive potential, and consumers behave differently depending on the timing of the disasters they encounter, the perceived controllability of the hazard, and the anticipated severity of the consequences. Consumers’ reactions to anticipated disasters may be greater when they have time to prepare, when they believe their preparations will be effective in mitigating the threat, and when they believe the negative outcomes warrant their efforts. Theoretical constructs that illuminate differences in consumer pre-disaster consumption behavior include coping mechanisms, apathy, locus of control, self-efficacy, critical awareness, response efficacy, perceived control, conservation of resources, unrealistic optimism, demographics, and post-traumatic stress disorder. These theories and related findings provide insights for policy makers who want to encourage compliance with preparedness recommendations.

CONCEPTUAL UNDERPINNINGS OF PRE-DISASTER CONSUMPTION BEHAVIOR

Coping Strategies

The most commonly cited psychological model for coping with disaster or trauma is based on the work of Lazarus and Folkman (1984 as cited by Mounty 2006) which frames the challenge as a process that begins by appraising the situation and then divides responses into two categories: problem-focused and emotion-focused coping. There are two kinds of appraisal: primary appraisal which determines how the situation correlates with an individual’s beliefs, goals, and commitments; secondary appraisal which involves evaluating what the individual can do in response to a real or perceived threat. Which of the two approaches is engaged depends on the results of the primary assessment. If, upon initial evaluation of a traumatic situation, an individual perceives it to be controllable, she/he will modify her/his actions so as to reduce its negative impact or to minimize the chance of its recurrence (problem-based coping). On the other hand, if the ordeal is perceived to be beyond his/her control, she/he will use emotional mechanisms to minimize the damage incurred (emotion-focused coping). Lazarus and Folkman defined problem-focused coping as confronting the traumatic circumstances, accepting responsibility for the circumstances, and identifying strategic actions to deal with the consequences or future occurrences; and defined emotion-focused coping as invoking emotional distance, self-control or escape/avoidance, or as seeking social support and reappraising the situation in a more positive light (Chung et al. 2001). This model of coping strategies will be used as the unifying theme behind the analysis of actual behavior and of cognitive and emotional influences.

Reported Buying Behaviors

First, we will examine what consumers have done prior to past disasters, and compare this behavior to the recommendations they received from authorities. We will see if they heeded the “expert” advice or if they had an agenda of their own.

The chart below summarizes the recommendations of the American Red Cross prior to Hurricane Katrina in August 2005 (Table 1). It also provides a report of what people actually bought in the week prior to Katrina, and allows us to compare with the recommendations to actual purchases by indicating the percentage change in category purchases over normal behavior. The results show that residents of the Gulf region gravitated to food and power supplies in their preparations for the storm (McCusker 2005). It is clear from this chart that there were a few cases such as canned meat, powdered milk, batteries, and flashlights where consumers followed the American Red Cross recommendations. These are products which would be needed for a storm with short-term, relatively minimal consequences. Although there was both sufficient warning and a sense of control over the outcome of the disaster, consumers apparently expected the negative outcome to be inconvenience rather than a threat to their survival. This is consistent with the use of an avoidance mechanism congruent with emotional coping.

More interestingly however are the areas in which consumers did not follow the recommendations that the Red Cross believed necessary. Specifically, purchase of baby care items declined by 9 percent, while healthcare product sales fell 22 percent. Rather than conclude that Gulf Coast residents ignored or overlooked potential inability to provide for infants’ needs or for the care of sick or injured, we interpret these results according to differences in their primary assessment of the hazard. For parents of young children or for those facing critical ongoing healthcare needs (especially vulnerable populations), the oncoming hurricane posed more of a threat than their neighbors anticipated; for them it was a highly-destructive peril, but one they could control by evacuation (problem-focused coping).

Before Hurricane George (1998), people bought a few predictable items. In the United States 87 percent filled their cars with gasoline, 81 percent got bottled water, 64 percent canned or dry food, 75 percent bought batteries, 27 percent bought first aid kit, 77 percent stocked up on...
candles and matches (Ticehurst et al. 1996). Clearly, Americans gained by the predictability of the event. Again, however, their actions appear to indicate primary assessment of the hurricane as a relatively minor hazard subject to control along with the distancing and denial of greater danger corresponding to emotional coping (Sladky 2005).

Lack of significant preparation for a foreseeable disaster may be due more to ignorance than to emotional denial, however. Consumers’ behaviors may be altered depending on whether a hurricane has occurred in the recent past. If a hurricane had not come, consumers may not perceive the event to be much of a threat, “it is likely that the lack of recent experience with hurricanes may be responsible in part for the lack of advanced preparation in the Dominican Republic” (Sattler et al. 2002).

Apathy

Similar actions (or lack thereof) may be seen even if a hurricane has come but caused little or no damage; consumers become desensitized or apathetic. “Fewer than 10 percent of the Keys’ 78,000 residents evacuated, Monroe County Sheriff Richard Roth said. . . . ‘They’re tired of leaving because of the limited damage they sustained during the last three hurricanes’” (Royse 2005). In this instance there were simply too many recent hurricanes that did little damage in the area and people had grown tired of putting a lot of effort and time into preparing for them, leading to apathy. Because the costs (in money, time, and effort) of disaster preparedness are easier to quantify than their expected benefits, the potential victims of a calamity may exhibit no interest or even intense resistance to advice to get ready for danger (McEntire and Myers 2004).

It is interesting to note that in general, “the preparations which have been made and which people are willing to make are generally those which cost little time or money, do not require major commitment and may be seen to have high personal relevance. On the other hand, the preparations which few are willing to make tend to be more expensive and require a major and long-term commit-

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<td><strong>American Red Cross</strong></td>
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<td><strong>Recommended Disaster Supplies</strong></td>
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<td><strong>Food and Beverage</strong></td>
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<td>High Energy Foods</td>
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<td>Comfort/Stress Foods</td>
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<td><strong>Baby Care</strong></td>
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<td>Formula/Powdered Milk</td>
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<td>Diapers</td>
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<td><strong>Healthcare</strong></td>
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<td>First Aid Kits</td>
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<td>Non-Prescription Drugs</td>
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<td><strong>Sanitation</strong></td>
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<td>Toilet Paper, Towelettes</td>
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<td>Liquid Detergent</td>
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<td><strong>Tools and Supplies</strong></td>
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<td>Batteries</td>
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<td>Flashlights</td>
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Source: (McCusker 2005)
ment” (Larsson and Enander 1997). It seems people are willing to prepare when it does not require much effort; however, the best preparations to ensure security require significant effort.

Moreover, when people have been exposed to many disasters in a short period of time in which little damage occurred, they may become desensitized to their onset. Before Hurricane Wilma, residents of Key West partied at the downtown bars or at home rather than preparing for the storm (Sladky 2005). They avoided the stress by drinking and engaging in emotional-coping, because of biased assessment of the threat induced by a false sense of familiarity.

Terrorism involves a type of disaster which is inherently less predictable than hurricanes, and so involves different kinds of challenges to preparedness. American air defenses were caught unprepared by the terrorist strikes of 9/11/2001, not knowing how to prevent destruction even after word of the hijacked jets was conveyed to them. Employees of the World Trade Center were given conflicting survival instructions before the buildings collapsed, and were confused about what they should do. However, populations in locations vulnerable to future attacks did take preventative action against bioterrorism because of the anthrax attacks of the same era and in anticipation of violence during subsequent high-alert periods (Burros 2001; Craig 2001; Duggan 2004; Grissett 2002; Purnick 2003; Silver et al. 2002). New York-area stores quickly sold out of plastic drop cloths and duct tape in early 2003, when the head of Homeland Security recommended securing a “safe room” in each household. Five years after the anthrax letters, mail is still being screened by masked and gloved employees at the major American media conglomerates.

**Locus of Control and Self-Efficacy**

Perceived locus of control and self-efficacy affect individuals’ likelihood of taking preparatory action in anticipation of disasters, either by evacuation or by stocking up on survival necessities. When consumers have an external locus of control they do not believe anything they do will make a difference, but think their fate is controlled by outside forces (Lefcourt 1982). In regards to consumer
behavior, “if people perceive others as being responsible for their safety they are less likely to convert intentions to actions” (Paton 2003; Paton et al. 2003) such as purchasing items essential for disaster preparedness. An internal locus of control, on the other hand, leads to the belief that their actions do affect the way they will be affected by the disaster, and they will take steps to prepare for the disaster. Locus of control can also affect the coping strategies people use. Research shows possessing an internal locus of control may be more beneficial when there is need to accept the fact that a disaster is about to occur (Parkes 1984). There are similar implications when we look at self-efficacy.

Individual opinions vary regarding their perceived ability to take on a task (self-efficacy), in this case actions to mitigate negative outcomes in a disaster. People with high self-efficacy will improve the security of their physical environment, have the necessary supplies available, and generally assure greater safety. With the preparations they have made and thus the safer environment they have created for themselves they are far more likely to survive the disaster, in a virtuous cycle. If one believes they will survive they will engage in activities that will ensure their survival and they will reinforce their initial beliefs (Bandura 1994). On the other hand people who have low self-efficacy believe they do not have the capability to take action to ensure their survival and, therefore, they will not prepare. Given this situation, consistent with their expectations, they may not survive.

High self-efficacy can also indicate a person has accepted his/her responsibility to prepare for the disaster, indicating perception of an internal locus of control. On the other end of the spectrum, having low self-efficacy may indicate the person does not accept the responsibility to prepare which can be a result of an external locus of control, “...this outcome resulted from people transferring responsibility for safety from the self to others illustrates how people’s reasoning can support decisions not to prepare” (Paton 2003). Thus, people with high self-efficacy will be likely to purchase more before disasters (Bandura 1994).

Critical Awareness of Hazards

A practical factor that may affect response and preparedness levels are a critical awareness of hazards (Constantine et al. 2005; Dalton et al. 2001). This construct describes the extent to which people think and talk about specific threats or dangers within their environment (Paton 2003; Paton et al. 2003). If there is more or more frequent communication about an upcoming disaster, then community members will perceive the threat to be more dangerous, potentially leading people to follow preparatory actions and purchasing recommendations. On the other hand, research also shows motivation to prepare could also be adversely affected as anxiety leads to an unwillingness to accept risk and the emotion-focused coping mechanism of avoidance (Paton 2003). Such an emotional reaction would reduce individuals’ desires to purchase the necessary disaster preparation items.

Response Efficacy

Response efficacy involves the perception of available resources, the potential benefits accrued, and the congruity between recommended behaviors and other significant personal goals or needs (Cole 2001; Paton 2003). Disasters with high critical awareness may lead consumers not to purchase critical items because they believe resources will run out—as they sometimes do—as a large population competes for a limited supply of survival equipment and goods. Conversely, disasters with low critical awareness can also lead to lack of preparatory purchases because individuals believe resources will be available whenever they decide to buy them.

Model of Perceived Control

The model of perceived control provides an alternative approach to Lazarus and Folkman’s coping model (1984) when related to disaster preparedness. According to Jewell and Kidwall (2005), the greater the sense of control, the lesser the motivation to undertake adaptive behavior to avoid an undesirable outcome. The upcoming hazard takes on the appearance of a challenge that they are confident they can overcome without special action. This lack of perceived vulnerability could be detrimental, because people may feel they are in control of a disastrous situation when in fact they are not.

Unrealistic Optimism

One very real reason people’s purchasing and consumption behaviors can be altered prior to a disaster is the unrealistic optimism some people may hold. “People tend to believe they are less vulnerable than others” (Larsson and Enander 1997; Paton et al. 2000). It is therefore possible for people to accept and understand the potential severity of a disaster but lack the motivation to do anything about it due to unrealistic optimism about their personal situation. In the case of a hurricane, a person could know a hurricane will be very severe, but believe it will be their neighbor’s house that will have its roof blown off, or the people down the street that will run out of food. Moreover, emotional avoidance of personal threat has been shown to be a factor in taking preparatory actions.
Larsson and Enander (1997) reported an average response of 2.65 (on a scale of 1 to 5, where 1 is “Definitely not true” and 5 is “Definitely true”) to the statement, “I don’t want to think about such preparations – if you worry about everything life becomes unbearable.” In the case of terrorism, most Americans believe “it can’t happen here,” and only those in potentially targeted locations have taken precautions.

**Demographics**

Demographics provide insights into identifying who will prepare for disasters and who will not. Age (accumulated experience), sex, and media exposure are modifiers of individuals’ reactions (Cardena et al. 2005; Knight et al. 2000; Larsson and Enander 1997; Lazarus and Folkman 1984; Silver et al. 2002; Smith et al. 1992).

According to Larsson and Enander (Constantine et al. 1997, 2005), younger people reported they were willing to prepare but did not prepare for the disasters studied. It may be a matter of naïveté or the belief that they will never die.

In addition, Larsson and Enander (1997), in their study of preparations for Hurricane Floyd in North Carolina, found the group with higher education tended to have prepared more and disagreed more strongly with arguments against making preparations. The higher the level of education a person has the more likely they are to prepare for a disaster. Future studies are needed to explore whether this is due to the influence of internal locus of control and/or high self-efficacy. One might hypothesize that people additional efforts will help them in life may be more likely to continue their education, and that such people may take action and place the responsibility for their success in their own hands, nobody else’s. When a disaster is predicted, such people may take preparations for the disaster into their own hands and strongly disagree with those people who do not do the same.

Gender differences may be related to preparation for disasters, but it is not a simple relationship. Women have commonly been found to show more symptoms of stress after a disaster, to suffer them for a longer time, and to engage in more preparation for unpredictable hazards than do men. However, Larsson and Enander (1997) found the likelihood women prepared varied by their marital status, home ownership, and relationships. In their study of response to terrorist threats, Flicker and Gardner (2006) found, among those living within five miles of the Pentagon or the World Trade Center, women were significantly more likely to have changed their behavior after 9/11/2001 in ways that both addressed their emotional reactions and took precautions against potential future biological or terrorist threats.

**Conservation of Resources Theory**

The theory of conservation of resources suggests, because consumers acquire resources (objects, condition, personal characteristics, or energy) to enhance their self-worth, psychological stress occurs when they believe they will lose resources, actually lose resources, or fail to gain resources following investments of resources (Sattler et al. 2002). Because they experience this stress, consumers may either take precautions to protect these objects or they may be so overwhelmed they take no action at all. While the conservation of resources theory has been successfully applied to post-disaster response (Sattler et al. 1995 among others), it is a fruitful concept to consider in predicting actions prior to the event. When resources that define them are threatened, people may be more likely to engage in behaviors to reinforce the importance of these resources and to save them. For example, they may become more active socially to maintain a threatened social role or may put more effort into a failing marriage.

In the case of imminent disasters, conservation of resources theory predicts individuals would invest the time and effort to preserve their self-defining resources when their feelings of self-efficacy and control promise success. Predictability and controllability, therefore, help to determine the conditions under which resource conservation would be invoked. Thus, consumers are more likely to engage in resource conservation prior to a hurricane, especially if they have experienced one before and feel in control of the situation, than they are in regard to a terrorist attack.

**Mortality Salience**

Mortality salience is the active consciousness of one’s own mortality. Mortality salience motivates people to engage in defensive behaviors, including taking precautions to protect oneself from a forthcoming disaster (Maheswaran and Agrawal 2004).

**DISCUSSION**

It is vitally important to realize individuals react differently to disasters. Additionally the same person may react differently to different disasters. Therefore, marketers and policy-makers must understand the complex interactions of diverse influences that shape disaster-preparation activities in individuals in order to encourage greater preparedness.
Unpredictability, low controllability, and low destructive potential are characteristics of disasters that are unlikely to elicit a high level preparation. Because terrorist attacks display this combination of attributes, it is not surprising that few Americans (few citizens of countries with wider experience of this threat) have taken precautions to limit their exposure to terrorism. Hurricanes, on the other hand, are generally preceded by days of warning, and allow for reinforcement of the home and/or evacuation. Moreover, they are relatively common events in susceptible locations, and rarely result in extensive destruction of life or property in developed societies. Thus, residents of hurricane regions have the time to prepare for the hazard, are generally experienced in boarding up homes and businesses, but may underestimate the destructive power of the next storm based on relatively-mild previous tempests.

On the individual side of the equation, a variety of psychological and sociological factors have been shown or hypothesized to determine willingness to engage in disaster-preparation activities. Peoples’ reactions to a threatened disaster can be affected by coping strategies that result from their primary assessment of the situation. If the hazard is evaluated as controllable, consumers will engage in problem-solving coping (e.g., take action to avoid or mitigate the disaster); if it is not, they will use emotional coping strategies such as invoking emotional distance, emotional escape/avoidance, seeking social support, or denial. The latter response is more likely to result in the purchase of entertainment products than of survival goods, and in distraction-seeking rather than preparing for the ensuing threat.

Apathy, low levels of perceived internal locus of control or self-efficacy, low perceived level of control over events, unrealistic optimism (“it only happens to other people”), and low mortality salience, are all psychological and cognitive factors that diminish the likelihood of preparing for an upcoming disaster by adopting recommended survival behaviors and purchasing appropriate supplies. When consumers’ identifying resources are threatened, the conservation of resources theory predicts they will engage in behaviors that reinforce the importance of these conditions and protect their existence.

Demographic factors such as age and sex have also been found to be effective predictors. Young people are less likely to prepare than older adults (perhaps due to low mortality salience); women (depending on marital status and living situation) are more likely to take precautions than men and people with more education are more likely to engage protective actions than those with less education.

At the community-wide level, the greater the critical awareness of a hazard provided by frequent mention of it, the greater the tendency to adopt safety measures prior to a forecasted catastrophe. Response efficacy, the degree to which consumers believe the recommended actions will help, also has an impact. In contrast to New Yorkers’ adoption of plastic drop cloths and duct tape to secure “safe rooms” in the run-up to the Iraq War, those Home Security recommendations were the subject of ridicule on late-night television and among most of the rest of the American population.

Implications for Future Research

The paper presented here is a literature review, with little purchase data on which to test the theories outlined. Future research should focus on testing these theories on actual pre-disaster consumption data. Additionally, it could be interesting, if distressing, to study the cumulative effects of multiple disasters experienced in a given season.

Marketing and Public Policy Implications

In the real world people lose their lives and property in both natural and man-made disasters, and do not always take the available and recommended precautions to minimize the costs. Marketers and policy-makers must take into account the socio-psychological factors that influence their customers and constituents in order to encourage responsible disaster-preparedness purchasing and behavior.

The suggested preparations themselves must be simple, non-threatening, and believable. Consumers should perceive that these precautions can be adopted on an individual level, without unattainable expertise or cost.

Recommendations must be communicated in ways that emphasize their effectiveness and a positive trade-off between effort and result. They must convey the importance and worth of individual actions, with special attention to reinforcing those beliefs among individuals with low self-efficacy and low sense of internal locus of control. Messages need to make the threat of destruction and mortality salient enough to overcome apathy without arousing feelings of helplessness. As this is a difficult goal to accomplish, the best talents and resources available should be used. Disaster preparedness is something which needs to be taken seriously and plans must be developed when a disaster is not imminent.

Disaster-preparedness announcements must be pervasive; they cannot be broadcast/displayed in low-cost media.
The good news is that theory does provide some guidelines about how to structure and transmit information critical to minimizing the loss of life and property in a variety of disaster situations. As we collect relevant data, and use them to fine-tune the application of these theories, both marketers and policy-makers will be able persuade more citizens and consumers to take actions to defend their homes and loved ones.

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AN EXPANDED PERSPECTIVE ON THE POLICY IMPLICATIONS OF ENVIRONMENTALLY RELATED BEHAVIORS

William Kilbourne, Clemson University, Clemson
Pierre McDonagh, Dublin City University, Ireland
David Marshall, University of Edinburgh, Scotland
Andrea Prothero, University College Dublin, Ireland

SUMMARY

Environmentally related behaviors have been a topic of study for marketing and public policy researchers for several decades now (for public policy examples see Allen, Calantone, and Schewe 1982; Schwepker and Cornwell 1991; Taschian, Slama, and Taschian 1984). The purpose of this paper was to expand the domain of inquiry by testing an expanded model of such behavior. For the last 35 years, the study of the environment and people’s effect on it has proceeded at a steady pace. Within that time, researchers have examined the problem from a number of perspectives including, but not limited to, measures of concern, attitudes, behavioral intentions, folk ecological wisdom, and value orientations. Among the consistent conclusions drawn is the belief that the processes through which individuals perceive and relate to the natural environment are quite complex (Granzin and Olsen 1991). There have been shown to exist *inter alia*, psychological, sociological, economic, technological, religious, and historical components in the relationship. Drawing from past research on values, the new environmental paradigm, beliefs, concern, and environmental behaviors, a causal model was proposed and tested with a random sample of U.S. adults. The causal model examined in this paper consists of the four areas described above; values, beliefs, concern, and behavior. The causal sequence is a modification of the model proposed by Stern, Dietz, and Guagnano (1995). The original model proposed that the causal sequence was, from beginning to end, social structural factors, values, general beliefs (NEP), specific beliefs, behavioral intentions, and behavior. Johnson, Bowker, and Cordell (2004) proposed an abbreviated model that consisted of the social structural, general beliefs and behavior. The model proposed here expands on their abbreviated model but does not include the social structural or behavioral intention components of the Stern model.

The hypotheses generated by the proposed model are as follows:

- **H1.** The second order values construct will be positively related to general environmental beliefs as measured by the second order NEP construct.
- **H2.** The second order NEP construct will be positively related to specific beliefs.
- **H3.** Specific environmental beliefs will be positively related to environmental concern.
- **H4.** Environmental concern will be positively related to both direct and indirect environmentally related behavior.

The findings in all cases, show the link from a higher level construct to a lower level construct was positive. As individuals have more self-transcendent and openness values, they are higher on the NEP scale. Those with higher NEP scores indicating belief in the balance of nature, limits to growth, and ecocentrism, are more likely to believe there are environmental problems. As belief in the existence of environmental problems increases, the individual becomes more concerned about the environment. As environmental concern increases, both direct and indirect self-reported environmentally related behaviors increase. This establishes the causal sequence among the constructs in the model. Numerous alternative models were tested that linked the constructs differently, but none were shown to achieve the statistical significance of the model proposed. Several models with paths linking non-adjacent constructs were tested as well, and in no case was an indirect link significant.

The results of the study validate the model indicating that there are policy implications at each stage of the causal sequence leading to environmentally related behaviors. Prior work has highlighted the possible positive and negative impact of public policy on marketplace functions (see Brockett and Golden 1990). In addition, the results indicated that openness values are related to the NEP as well. While this latter relationship has received inconsis-
tent support in the past, it is not an unexpected finding having been shown by Kilbourne et al. (2001) to affect willingness to change behaviors related to the environment. Thus, when incorporated with self-transcendent and negatively scored self-enhancement measures, openness to change is directly related to the NEP.

The NEP is also incorporated as a second order factor model with three latent constructs referred to as balance of nature, human exemptionalism, and limits to growth. This is consistent with previous use of the NEP in which it has been shown to be a multidimensional construct in both its original and revised forms. Drawing from Cordano, Welcomer, and Scherer (2003), a reduced form of the NEP was developed and used. The causal link between environmentally related values and general ecological beliefs as measured by the NEP, was shown to be positive (0.43) as hypothesized. This indicates that as one’s values related to the environment increase, their general environmental beliefs increase. Each of the first order constructs contributed significantly to the overall construct referred to as the NEP. It was also demonstrated that the NEP positively affected specific beliefs (0.92) as predicted. The higher one’s belief in the NEP, the more they believed that specific environmental problems existed and were important.

Environmental beliefs, it is argued in the model, are antecedent to environmental concern because to be concerned, one must believe that there is something to be concerned about. Belief in the NEP and specific environmental problems, combined with high environmental values, would reasonable activate psychological mechanisms leading to increased concern. This concern should be reflected in expressions indicating that social and individual changes are necessary to ameliorate environmental decline. One who is concerned would be likely to indicate willingness to change their own behavior and suggest that larger social and political change would also be necessary. This indirect measure was used and shown to be positively related to belief in environmental problems (0.78). As belief in specific problems increases, one’s environmental concern increases as well.

In the final causal link in the model, it was hypothesized that increased levels of concern would result in an increase in self-reported direct and indirect environmentally related behaviors. The hypothesized positive relationship between concern and both direct and indirect behaviors were confirmed. The parameter estimate for direct behavior was 0.37 and for indirect behavior was 0.38 indicating that as environmental concern increases, one’s environmentally related behavior also increases. Thus, all links in the causal model hypothesized were shown to be positive confirming the hierarchical model proposed at the outset.

The result has both research and policy implications. From a research perspective, it suggests that future studies on environmental behavior should include a larger set of variables than were used in previous research. These variables are best arranged in a hierarchical fashion. From a policy perspective, programs to improve environmentally related behavior should be directed at each level of the model rather than the last two which is more typically the case. Altering values and general ecological beliefs can be instrumental in producing long-term change in environmental behaviors. References provided upon request.

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SPECIAL SESSION

UNDERSTANDING SUBSISTENCE MARKETPLACES OR THE BOTTOM OF THE PYRAMID: IMPLICATIONS FOR PUBLIC POLICY AND MARKETING

Madhu Viswanathan, University of Illinois, Champaign
Srinivas Sridharan, The University of Western Ontario, London
Robin Ritchie, The University of Western Ontario, London

SUMMARY

Currently unfolding research is shedding new light on product and market innovation with its focus on the four billion people living in poverty in the global marketplace, a population often referred to as the bottom of the pyramid (Prahalad 2005) or as subsistence marketplaces (Viswanathan and Rosa 2007). Markets drawn from this population, while presenting a significant humanitarian challenge, also present new opportunities for businesses faced with saturation of developed markets. Even as businesses are finding new ways to address subsistence markets, the literature has called for research and practice that help enhance the poor’s capacity to consume, their dignity and choice, and facilitates the development of new goods and services that are inclusive and build trust between buyers and sellers. Against this backdrop, marketing research has focused largely on literate and resource-rich contexts. Thus, there is a real need to develop our understanding of how consumer and marketing concepts must be adapted to be applicable to contexts that pose significant resource and literacy barriers.

Accordingly, this special session includes two research presentations, which provide a starting point for a discussion of the implications of subsistence marketplaces for public policy and marketing. These presentations (a) provide insights about subsistence marketplaces in terms of individual buyers and sellers based on several years of qualitative research in South India, and (b) explore a set of research questions surrounding the social assets, literacy and coping skills of subsistence consumers based on a quantitative study conducted in South India. The ensuing discussion of policy implications will build on this background and include a comparison with subsistence markets in the U.S. The session will also provide the audience with some perspective on the current evolution and future opportunities in this area of research in terms of policy issues.
UNDERSTANDING SUBSISTENCE BUYERS, SELLERS, AND MARKETPLACES: A CASE STUDY OF SOUTH INDIA

Madhu Viswanathan, University of Illinois, Champaign

SUMMARY

This presentation reports findings from several years of qualitative research in subsistence marketplaces in South India. Findings suggest that subsistence consumers face uncertainty and lack of control over most aspects of daily life, including basic amenities. A counterforce to this uncertainty is the unique 1-to-1 interactional nature of such markets. The marketplace context is characterized by pervasive interdependence and continuous oral communications between both consumers and marketers as well as among consumers. Further, marketing exchanges involve highly responsive and empathetic interactions, are based on mutual personal judgments, and tend to engender long-term relationships. As a result, individual transactions are fluid and involve extensive customization, such as negotiation of prices and quantities and flexible repayment schedules. The findings draw a sharp contrast with the consumer-to-large-organization interaction that characterizes much of the marketplace for similar low-literate, low-income consumers in the U.S. Such differences in the social milieu of subsistence markets in developing vs. developed economies present important implications for public policy and marketing.
UNDERSTANDING CONSUMER COPING IN SUBSISTENCE MARKETS: A SOCIAL CAPITAL PERSPECTIVE

Robin Ritchie, The University of Western Ontario
Srinivas Sridharan, The University of Western Ontario

SUMMARY

This presentation presents a conceptual framework of social capital as a means of improving marketplace coping in subsistence markets, and reports findings from a survey of 60 subsistence consumers in South India. Findings suggest that consumers rely heavily on groups and family/close friends for information about products, and generally focus on the relational elements of marketplace exchange (e.g., fair and empathetic treatment, accurate weighing, pricing benefits obtained by fellow consumers) rather than on conventional information processing strategies. The findings also suggest that membership in groups and informal networks aid consumers in accessing valuable social capital (structural, relational, and cognitive dimensions) and utilizing it to gain tangible economic benefits in the forms of better products and services. The centrality of social capital in subsistence marketplaces presents important implications for public policy and marketing. References available upon request.

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