2019 AMA Winter Academic Conference

Understanding Complexity, Transforming the Marketplace

February 22-24 | Austin, TX

PROCEEDINGS

Volume 30

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Xueming Luo, Temple University
2019 Winter AMA Conference

Understanding Complexity, Transforming the Marketplace

February 22–24, 2019 | Austin, TX

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130 East Randolph Street, 22nd Floor • Chicago, Illinois 60601
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Foreword

Welcome to Austin, Texas! And welcome to our unique time in human history, a time in which everything is connected online or offline, but nothing adds up. And a time in which marketing stakeholders such as firms, consumers, governments, the media, and the next generation of marketing leaders are looking for new and better ways for dealing with ever-increasing social and marketplace complexity and change.

Rather than focus on a singular aspect within the marketing playbook, such as a behavioral or quantitative focus, we decided to go a bit more “meta” this time and zero in on complexity and change itself. How much can we really teach these and other stakeholders about how to study and tackle marketplace complexity and change?

The following pages and the next couple of days will show that marketing scholarship has truly thought-provoking and fascinating answers to these issues from various perspectives. In addition to three outstanding preconferences, special sessions, competitive research spotlights, and SIG panels, we are excited to feature two special sessions in collaboration with the Santa Fe Institute on Complexity Theories, a special session on Connecting with Practitioners, a special session on Best Practices in Managing Centers, and two special sessions on Machine Learning for Marketing Research. These interdisciplinary conversations on complexity theories and applications you are going to experience during this conference will hopefully spark joy and impactful research ideas.

Inasmuch as it takes a village to raise a child, creating a powerful “big tent” event such as Winter AMA takes a community of scholars who are not afraid of complexity and change. We would like to thank the many colleagues and AMA executives who made this year’s big tent possible. From Vanitha Swaminathan of the Academic Council and our excellent team of highly dedicated track chairs to the over 1,000 colleagues from all over the world who stepped forward to lend their valuable time and expertise as session, paper, and poster reviewers. We are deeply indebted to Punam Keller and Anat Keinan for organizing an amazing preconference on “Women in Marketing.” We would also like to extend our sincere thanks to William M. Tracy, Vice President for Applied Complexity at the Santa Fe Institute, for his invaluable collaboration. And we greatly appreciate the generous support from Monica Gerhardt and Matt Weingarden and their team of dedicated AMA staff as they coordinated many of the logistical elements of the program. Most importantly, we would like to thank you for coming to Austin to celebrate with us. Let us enjoy the diversity of marketing scholarship that constitutes our big tent of ideas and inspirations. And let us all listen and learn.

Son K. Lam, University of Georgia
Markus Giesler, York University
Xueming Luo, Temple University
Awards

Business Models, Data Analytics, and Digital Marketing
Vertical Segmentation Pricing Policy by Online Platforms
  Ruhai Wu, McMaster University
  Anomitra Bhattacharya, McMaster University

Complexity of Dynamic Marketing Processes
Frugality Is Hard to Afford
  R. Yesim Orhun, University of Michigan
  Mike Palazzolo, University of California, Davis

Complexity of Firm Relationships with Other Stakeholders and Social Movements
Unintended Consequences of Lobbying
  Gautham G. Vadakkepatt, George Mason University
  Kelly Martin, Colorado State University
  Neeru Paharia, Georgetown University
  Sandeep Arora, University of Manitoba

Complexity of Firm–Customer Relationship
The Evolution of Online Complainants’ Desires
  Wolfgang Weitzl, University of Vienna
  Clemens Hutzinger, Seeburg Castle University
  Sabine Einwiller, University of Vienna

Computational Marketing, Machine Learning, and Artificial Intelligence
Exploration of an Individual Critic’s Review in Forecasting Box Office: Using Matrix Completion and Deep Learning
  Keeyeon Park, Korea Advanced Institute of Science and Technology (KAIST)
  Hye-jin Kim, Korea Advanced Institute of Science and Technology (KAIST)
  Giwoong Bae, Korea Advanced Institute of Science and Technology (KAIST)

Consumer Complexity
The Double-Edged Sword of Corporate Social Responsibility in the Luxury Context
  Jenni Sipilä, University of Mannheim
  Sascha Alavi, Ruhr-University of Bochum
  Laura Marie Schons, University of Mannheim
  Sabrina Dörfer, Ruhr-University of Bochum
  Jan Wieseke, Ruhr-University of Bochum

Consumer Well-Being
Sit Down and Eat! Your Food will Taste Better: Effects of Posture on Food Perception and Consumption
  Courtney Szocs, Louisiana State University
  Dipayan Biswas, University of South Florida
  Annika K. Abell, University of South Florida

Field Experiments and Causal Inferences in Marketing
Disentangling the impact of Expert Product Ratings to Inform Market Strategies
  Karthik Sridhar, Baruch College - The City University of New York
  Ram Bezawada, Baruch College - The City University of New York
  Ashish Kumar, Aalto University School of Business

Institutional and Cultural Complexity
Changing Markets by Triggering Socio-Cognitive Transformations: How Tesla Boosted the Electric Car Market
  Pierre-Yann Dolbec, Concordia University
  Eileen Fischer, York University
Interfirm Complexity
Vertical Structure and Cost-Passthrough: Analysis of Tiered Distribution Channels in the U.S. Retail Beer Market
   Daniel Martinez, University of Arizona
   Madhu Viswanathan, University of Arizona
   Mrinal Ghosh, University of Arizona

Intrafirm Complexity and Marketing Strategy
Channel Elasticity and Marketing Mix Synergies: A Meta Analytic Review
   Peng Zhang, University of Georgia
   Seoyoung Kim, University of Georgia
   Anindita Chakravarty, University of Georgia

Marketing and Consumption Around the World
Consumption for Well-Being: The Izikhothane Phenomena
   Liezl-Marie van der Westhuizen, University of Pretoria
   Robin Coulter, University of Connecticut
   Kelly Martin, Colorado State University

Personal Selling and Sales Management
How Should Firms Onboard New Salespeople? Considering the Relative Efficacy of Centralized vs. On-the-Job Training and the Contingent Role of Manager Span of Control
   Phillip Wiseman, University of Houston
   Michael Ahearne, University of Houston
   Zachary Hall, Texas Christian University
   Seshadri Tirunilla, University of Houston

Services Marketing
When Technology Hurts: Unexpected Evidences from a Multimethod Analysis in High-Touch Services
   Anastasia Nanni, Bocconi University
   Andrea Ordanini, Bocconi University

Best Paper in Conference
Exploration of an Individual Critic’s Review in Forecasting Box Office: Using Matrix Completion and Deep Learning
   Keeyeon Park, Korea Advanced Institute of Science and Technology (KAIST)
   Hye-jin Kim, Korea Advanced Institute of Science and Technology (KAIST)
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Consumer Complexity

Overcoming Barriers to Prosocial Action

Being Reflexive in Sharing Matters: The Mediating Role of Consumer Reflexivity in Shaping Future Sharing Intention

Stella Yiyan Li, Antje Graul, John Jianjun Zhu

Overcoming the Stigma: Donations to Stigmatized Causes

Jenni Sipilä, Inken Blatt, Laura Marie Edinger-Schons

The Double-Edged Sword of Corporate Social Responsibility in the Luxury Context

Jenni Sipilä, Sascha Alavi, Laura Marie Schons, Sabrina Dörfer, Jan Wieseke

Population Density Moderates the Impact of Assortment Size on Consumer Spending: A Field Experiment in Online Donations

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Being Reflexive in Sharing Matters: The Mediating Role of Consumer Reflexivity in Shaping Future Sharing Intention

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Keywords: sharing, consumer reflexivity, liquid consumption

Description: Developing a novel, three-dimensional measure of consumer reflexivity, we find that three perceived sharing benefits—namely economic utility, social value, and sustainability potential—trigger consumer reflexivity, which in turn enhances their intention to reengage in sharing.

EXTENDED ABSTRACT

Research Question
The rise of the sharing economy exemplifies novel ways to consume in which users share access to objects rather than owning and possessing them. As the sharing economy challenges the maintenance of traditional life trajectories and consumption patterns, we investigate whether experiencing sharing causes consumers to step back and reflect on their previous consumption behaviors. We define consumer reflexivity as the self-conscious review, monitoring, inquiry, and identity construction pertaining to their consumption experience. The core tenet of individual reflexivity is peoples’ tendency to actively construct their self-identity by developing an integrated understanding between themselves and the changing environment instead of passively accepting who they are (Mezirow, 2000). As sharing offers a viable way for consumers to balance their materialistic consumption needs and the construction of their reflexive and emancipatory “ideal self,” sharing as a new mode of consumption becomes more appealing after consumers reevaluate and reflect on the distinct economic, social, and sustainability benefits compared with traditional consumption. This unique value proposition of the sharing economy is also consistent with the pursuit of a flexible, adaptable, mobile, light, detached, and immediate lifestyle by modern consumers (Bardhi and Eckhardt, 2017).

Method and Data
Using a moderated mediation model, we investigate whether, when, and how sharing triggers consumer reflexivity and transforms users’ future consumption behavior by fostering a reengagement in sharing. We test our predictions across one experiment with subjects recruited from a leading university in Hong Kong. We obtained a final sample with 171 valid responses to our survey. Based on our selected sample and research question, all selected participants have certain C2C sharing experiences (e.g., Uber or Airbnb), and 43.3% of them also have additional B2C sharing experiences (e.g., bike sharing, like OFO). Our study measures were mainly adapted from existing literature. As there is no well-established measure of consumer reflexivity, we developed a scale measure based on existing literature for the context of the sharing economy. We opted for a higher-order factor model for the sake of convenience. Sample items for self-awareness, self-regulation, and identity construction include “I compare the way I consumed in the past and the way I prefer to consume now,” “I always think of the sharing scheme options before buying some products,” “I express myself through what I borrowed/rented from the sharing schemes,” respectively.

Summary of Findings
Developing a novel, three-dimensional measure of consumer reflexivity, we examine and find that three perceived sharing benefits—namely economic utility, social value, and sustainability potential—trigger consumer reflexivity, which in turn enhances their intention to reengage in sharing. Our results showed that consumer reflexivity is triggered for

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users who appreciate these economic, social, and sustainable values of sharing after experiencing sharing schemes. We also prove that consumer reflexivity functions as a significant mediating mechanism in transferring the perceived benefits of sharing into one’s intention to share in the future. This offers sharing economy theorists the opportunity to unravel why consumers reengage into sharing beyond one’s simple evaluation in terms of enjoyment or satisfaction.

Key Contributions
This research provides several theoretical and managerial contributions. Following Gidden’s (1991) theorizing of increasing reflexivity in late modernity, our findings extend prior reflexivity literature by demonstrating its relevance in a new consumption context with the rise of the sharing economy (Belk, 2010; PWC, 2015). That is, we provide an empirical account for the assumption that sharing can “shape and transform what consumers value in the marketplace, how they consume, the nature of marketplace artefacts, the nature of market institutions, and consumer identity” (Bardhi and Eckhardt, 2017, 583). We advance prior understanding of reflexivity by introducing and validating three dimensions of consumer reflexivity in a specific consumption context—sharing economy, namely self-awareness, self-regulation, and identity reconstruction. Notably, our results also provide important implications and valuable insights for managers and practitioners of sharing schemes. Through customizing promotional efforts, sharing schemes can better facilitate the self-reflection of their current users, which in turn helps sharing schemes to reengage their users in the future. Our study provides the first evidence that consumers do identify with sharing as a consumption practice rather than the actual asset or community due to a transformative process of reflexivity.

References are available on request.
Overcoming the Stigma: Donations to Stigmatized Causes

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Keywords: stigmatized causes, donation behavior, communication strategies, right-wing authoritarianism

Description: In an online experiment, we find that individuals are more likely to donate to stigmatized causes when the receiver's perceived control over the misfortune is low (compared to high), and furthermore, that this relationship is mediated by feelings of pity towards the receiver and moderated by the individual characteristic of right-wing authoritarianism.

EXTENDED ABSTRACT

Research Question
Nonprofit organizations (NPOs) that are focused on helping those in need rely on external donations. However, for some causes it is difficult to attract donations, because they are focused on helping unpopular or stigmatized groups. In this study, we therefore aim to understand, how NPOs working with stigmatized causes could communicate to potential donors in order to attract more donations. In order to understand the effectiveness of communication strategies on a deeper level, we also study the mediating role of pity and anger, as well as the moderating role of right-wing authoritarianism (RWA).

Method and Data
We recruited 234 individuals through Amazon Mechanical Turk to participate in an online scenario experiment, whereby we manipulated the communication of a fictional organization focused on helping a stigmatized group, and measured the participants’ donation intentions, feelings, and RWA.

Summary of Findings
Results of an online experiment imply that the donation receiver’s perceived control over his or her misfortune has an influence on donation intentions, such that individuals are more likely to donate to stigmatized causes when the receiver’s perceived control over the misfortune is low (compared to high). This relationship is mediated by the feeling of pity (but not anger), and moderated by RWA. However, we do not find an influence of storytelling on donation intentions.

Key Contributions
Our findings extend previous research on attribution theory and stigmatization. The application of attribution theory to donation behavior enables generating essential knowledge about stigmatization in the context of donations. Attribution theory is also extended in the area of donations through the addition of the moderating role of RWA.

References are available on request.
The Double-Edged Sword of Corporate Social Responsibility in the Luxury Context

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Keywords: corporate social responsibility (CSR), luxury companies, moral licensing, guilt, brand concept

Description: Using two experiments and a longitudinal analysis of secondary data, we show that Corporate Social Responsibility (CSR) is a double-edged sword for luxury companies, as it reduces customers’ purchase-related guilt and increases purchase intentions, but also triggers extrinsic CSR attributions and reduces long-term sales revenue growth.

EXTENDED ABSTRACT

Research Question
We aim to understand, whether, and under which conditions CSR engagement has a positive or negative outcome for luxury companies compared to nonluxury companies. Given that most studies regarding the role of CSR in the luxury context do not entail longitudinal data, we are interested not only in customer reactions to CSR communicated at the immediate point of sale, but also in the long-term effectiveness of CSR in the luxury context.

Method and Data
To assess our hypotheses, we conduct one online scenario experiment (Study 1), one field experiment (Study 2), and one study based on a latent growth analysis of secondary data (Study 3).

Summary of Findings
CSR reduces customers’ purchase guilt for luxury brands, which translates to higher purchase intentions. However, CSR additionally exhibits harmful effects for luxury companies by triggering extrinsic CSR attributions of customers. Both of these effects are amplified by a self-enhancement brand concept focused on dominance over people and resources. Finally, CSR significantly reduces sales revenue growth of luxury companies over several consecutive years. Thus, CSR is a double-edged sword for luxury companies, increasing purchase intentions at the immediate point of sale, but also increasing extrinsic CSR attributions and reducing sales revenue growth in the long term.

Key Contributions
Our paper extends existing research on the effectiveness of CSR by showing that findings from nonluxury contexts may not unconditionally extrapolate to luxury markets. Furthermore, we contribute to marketing research by resolving a lack of clarity concerning the effectiveness of CSR engagement in luxury contexts. In addition, our study extends prior research on the topic, which has mostly focused on the point of sale, by showing the negative effect of CSR engagement for luxury companies’ sales revenues over time. Managerially, our research implies that luxury companies should be mindful about their CSR engagement: while it may be helpful in acquiring new customers in the short term, it may also erode longer-term relationships with customers, leading to decreased sales revenue over time.

References are available on request.

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Population Density Moderates the Impact of Assortment Size on Consumer Spending: A Field Experiment in Online Donations

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Keywords: assortment size, population density, consumer spending, choice overload, location-based marketing, information processing, online donation

Description: This study investigates the moderating effect of population density on consumer spending on charities chosen from different assortment sizes.

EXTENDED ABSTRACT

Research Question
We hypothesize that customers in a higher (vs. lower) population density area are more likely to spend on charities chosen from a larger (vs. smaller) assortment.

Method and Data

Participants, Design, and Procedure
Participants recruited from the general population sample of Amazon’s Mechanical Turk participated in the study for US$1.0. All participants were American adults, over 18 years, currently living in the United States. Once in the experiment, participants were provided a US$0.25 bonus under the pretense that this was a bonus for their early signing up. The purpose was to increase charitable spending as previous studies have shown that the likelihood of spending would be increased with a windfall gain.

Participants were asked to choose one preferred charitable organisation from the presented charity assortment. After that, participants were asked to decide how much they would like to spend on the selected charity. In previous studies, participants were randomly allocated into one of two conditions of either small or large assortment. This study took a different approach by presenting a random number of options between 6 as the smallest and 30 as the largest one. The effectiveness of the assortment size manipulation was measured using an established manipulation check: “This assortment of charities gives me a lot of options” (1 = Strongly Disagree to 7 = Strongly Agree).

Finally, participants completed questions on their perceptions of assortment size and population density, their prior knowledge about the chosen charities, and demographics.

Measurements
To assess population density, participant locations were recorded in the form of longitude and latitude coordinates. Then, each participant’s location was matched with one of 435 US congressional districts formed in 2010 according to the 115th United States Congress. Population density in terms of people per square kilometre was calculated by dividing the population size by the land area of their congressional district.

Assortment size was manipulated in a continuous fashion by assigning participants to a random number of charitable organizations between 6 as the smallest assortment size and 30 as the largest one. The effectiveness of the assortment size manipulation was measured using an established manipulation check: “This assortment of charities gives me a lot of options” (1 = Strongly Disagree to 7 = Strongly Agree).

To measure the dependent variable (real spending), participants were asked to donate a part of their bonus of US$0.25 to the charity they selected. Participants had the options to donate between 0 and 25 cents in increments of 5 cents.

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Participants’ prior knowledge about the chosen charities was considered as a control variable (“How knowledgeable do you think you are about the chosen charitable organization?”; 1 = Not at all to 5 = Extremely). Additionally, income and political orientation at the congressional district level, as well as their interaction with population density were included as control variables because these variables could drive some variance in participant spending.

Summary of Findings
The result demonstrated a significant effect of population density and assortment size on customer spending. More pertinent to the central hypothesis, the predicted two-way interaction between population density and assortment size was positive and significant. Hence, customers in a higher (vs. lower) population density area are more likely to spend on charities that are chosen from a larger (vs. smaller) assortment. The interaction effect also remained significant in the absence of the above control variables.

The conditional effect of assortment size on charitable spending was found as positive from the population density value of 15,733.68 people per square kilometre and above, and negative from the point of 1,062.96 people per square kilometre and below. According to the U.S. Census Bureau (2010), it is estimated that 32.75 percent of the U.S. population lives at a density level that is lower than 1,062.93 people per square kilometre, and 0.05 percent of the U.S. population lives at a density level that is higher than 15,733.68 people per square kilometre. Hence, this study has found significant results that correspond to 32.80 percent of the U.S. population in total (i.e., 101.45 million people).

Key Contributions
This research takes a novel approach by looking at the effect of population density on the actual spending on options chosen from a larger assortment. An incentive-compatible experiment in online donations provides significant evidence for this effect. Explicitly, the findings confirm that customers who live in more densely populated areas donated more in total on charities chosen from a larger assortment. Moving beyond self-report measures commonly used in previous research, this study provides a simple, yet intriguingly theoretical and practical contribution to the literature on product assortment. By asking participants to donate their remuneration for experimental participation to a real charity, this experiment aligns with the current trend in customer research that emphasis on examining consequential dependent variables (e.g., real purchases, real money spent), and thus provides further insight into customer decision-making. Therefore, this research demonstrates generalizability and adds ecological validity to previous findings.

Implications for Managers
One implication of this is that customers’ location information should not only be used to present options that are relevant to customers given their location, but also to tailor the size of the assortment itself. With findings from this study, managers of digital platforms can leverage customer location data in a new way to identify customers who could spend more on products chosen from a larger assortment. Digital platforms can thus adjust the number of offerings following consumer preferences of assortment size in order to maximize sales. For example, Netflix, Uber Eats or Airbnb may adjust their product assortment sizes to increase customer spending.

Similarly, charitable organisations can identify and locate potential donors who are more likely to make an actual donation to charities chosen from a larger assortment. Online platforms such as Charity Watch or Charity Navigator may adjust the number of charities or donation courses in accordance with customers’ location data in order to increase real spending.

Moreover, these findings are also relevant to smaller retailers that can only offer limited choices such as small and medium-sized enterprises (e.g., local restaurants or retailers). These retailers might only be able to offer a limited assortment that is enough to motivate real spending made by rural customers, who are more likely to be satisfied with products selected from a smaller assortment.

References are available upon request.
A Goal-Directed Ethical Framework in Consumer Behavior

Gavin Jiayun Wu, Fayetteville State University

Keywords: goal-directed behavior, consumer behavior, goal, ethics, decision making

Description: By integrating insights from several theoretical perspectives and practical implications, we develop a goal-directed ethical framework in consumer behavior that delineates conditions such as why and when consumers purposively engage in ethical or unethical purchase and consumption and discuss our contributions to theory and practice.

EXTENDED ABSTRACT

Research Question
How can we better explain and predict ethical and unethical purposive behavior by consumers?

Summary of Findings
By integrating insights from several theoretical perspectives and practical implications (goal-directed behavior, self-regulation, ethical decision making), we develop a goal-directed ethical perspective. Furthermore, we outline a conceptual framework portraying how different goals, goal conflicts, goal attainment means, and ethical dilemmas emerge and interact to influence consumer decision making, choice and action.

Key Contributions
By integrating classic and new ideas from theoretical justifications and practical implications, this paper proposes a goal-directed ethical framework in consumer behavior delineating conditions such as why and when consumers purposively engage in ethical or unethical purchase and consumption. The refined understanding derived from this framework not only assists in the advancement of knowledge such as identifying new constructs and reconceptualizing relationships, but also offers marketing practitioners with insights such as developing more effective strategies and efficient tactics pertaining to the 4Ps (product, place, price, and promotion) in order to facilitate ethical consumption by consumers while inhibiting unethical consumption.

References are available on request.

For further information contact: Gavin Jiayun Wu, Associate Professor of Marketing, Fayetteville State University (jwu2@uncfsu.edu or jwu@email.arizona.edu).
Research Question
We investigate if and how two prominent aspects of consumers' morality perceptions, Corporate Social Responsibility (CSR) and price fairness, are related. While research exists on the influence of CSR on perceived price fairness, as well as the effects of price increases on perceived price fairness, a comprehensive investigation of the effect of a firm's CSR engagement on perceived price fairness in price increase situations is lacking. To address this gap, we analyze whether consumers' perceptions of CSR are helpful or harmful with regard to perceived price fairness in price increase situations.

Method and Data
To assess our hypotheses, we conduct four experiments. To increase external validity, we use different product contexts and sample types across the studies. Study 1 is conducted in the context of furniture purchases, with 2,625 real customers of an international retailer as participants. Study 2 is conducted in a household electronics context, with 313 participants acquired through an online consumer panel. Study 3 is conducted in a fashion retailing context, with a sample of 454 participants recruited from Amazon Mechanical Turk. Finally, Study 4 is conducted in a jewelry retailer context with 150 participants acquired through an online consumer panel.

Summary of Findings
Perceived CSR engagement strengthens the negative effect of a price increase on perceived price fairness. This is because CSR engagement raises consumers' expectations of fair prices, which are disconfirmed through a price increase. Honest, intrinsically perceived CSR is particularly conducive to raise expected price fairness. Furthermore, the aggravating influence of perceived CSR emerges for price increases with an inferred self-serving firm motive. The negative interaction of CSR engagement perceptions and a price increase occurs only for medium and high-level price increases (12.5%, 25%), but not for relatively small price increases (6.25%).

Key Contributions
Our results extend existing research on CSR and consumer outcomes by pointing to the moderating role of CSR on the
link between price increases and consumers perceptions of price fairness. In this respect, we introduce the novel perspective to this research field that CSR raises consumers’ expectations regarding firms’ moral values against which consumers judge the actions of the firm. Second, by unveiling this important effect, we add to the literature stream on behavioral pricing that has, so far, mainly neglected the potentially adverse effects of CSR on consumers’ price perceptions.

References are available on request.
Consumer Behavior in the Context of Life-Threatening Illness

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Keywords: consumer behavior, cancer context, death threat, Consumers’ worldviews, consumers’ self-perception, consumers’ threat-perception, identity negotiation, adaptive consumption, maladaptive consumption.

EXTENDED ABSTRACT

Research Question
How do consumers negotiate their identity and cope with the death threat through their consumption lifestyle in the context of cancer?

Method and Data
• Qualitative research
• Hermeneutic phenomenology
• Life story interviewing with cancer survivors
• 20 in-depth interviews with follow-up approach
• Intra-level analysis
• Inter-level analysis
• Abstraction
• Discovering conceptual constructs: Shangri-La, Furnace, Teeter-totter, and Reincarnated Worldviews

Summary of Findings
Drawing upon phenomenological interviews with twenty consumers, this study found that there are four worldviews through which consumers negotiate among possible selves and engage in consumption behaviors for coping with the threatening situation. These four worldviews are Shangri-La, Furnace, Teeter-totter, and Reincarnated. Because the researcher needed to choose the themes that describe the internal world of consumers, she decided to apply metaphorical words that epitomize consumers’ attitudes and emotions through a symbolic picture.

Within Shangri-La worldview, consumers perceive threat with positivity and idealism. They choose a narrative-normative identity and continue to consume items either as means of magic to keep the concept of self fixed and impenetrable to threat or as means of bracketing cancer off to guarantee the continuity of preestablished self.

Within Furnace worldview, consumers perceive cancer as their identity victimizing/stigmatizing. They analyze their past self, the present self, and the ideal self with a destructive criticism and perceive conflicts. Consumers’ self-expression within furnace worldview reflects the diffuse-avoidant identity in which consumers confronting with identity confusion attempt to delay acting with conflicts and, in turn, they employ an avoidant self. Iterative and impulsive consumption behaviors for the sake of escape from holes were explicitly detected through this worldview.

Within Teeter-totter worldview, consumers’ mode of perception about threat is in a more rational way. Via questioning, learning and practicing new courses, they attempt to accommodate cancer as a new content into their identity. However, they are still attached to previous meanings they already built around self/ life. In fact, they are teeter tottering between narrative-normative and informational identity styles. Consequently, their consumption is paradoxical between two contradict ways; avoidance vs. acceptance, escape vs. exposure, and self-deception vs. self-learning.

Within Reincarnated worldview, consumers approach the threat within a mindful lens rather than biased/conceptual-
These worldviews were labelled by symbolic terms to bestow meaning to the threat, reach an agreement regarding threat, and construct their own identity through their thoughts, attitudes, feelings, and self-expression. Consumption lifestyle within this worldview reflects a mindful identity rather than enclosed/habitual/shaking. Consumption lifestyle within this worldview is also a constellation of resurrection, recompense, and reconstruction of consumers’ impaired identities. They sanctified and resurrected discarded materials by digging up the truth. They also consumed items for the purpose of recompense for identity loses or reconstruction of new identities.

This qualitative study explores how cancer survivors as consumers negotiate their identity and respond to the threat of death through their consumption lifestyle. Previous consumer research showed that consumers negotiate, reach agreement, and construct their own self among the possible selves that could emerge in the relevant context in order to cope with stigma, threat, or any negative emotional stressor. However, it is unknown how they choose their preferred identities and negotiate among possible selves.

Hermeneutic phenomenology using life story interviews with 20 cancer survivors was applied to find the underlying patterns in the nature of consumers’ behaviors. Through each individual story, the researcher sought to explore the way in which consumers negotiate their identity and how their coping predispositions are reflected through their consumption behaviors. As a first level of analysis, the researcher started intratext-level analysis with an impressionistic reading of texts and analyzing behavioral and psychological trends of each consumer. At this stage, the research focus was on interpreting the plot of each story. Through intratext-level analysis, narrative movement within two episodes, pre- and postdiagnosis, was identified for each participant. Through narrative framing, she also highlighted consumers’ identity through their thoughts, attitudes, feelings, and self-expression. Consumption stories were also highlighted individually over time. Within this stage of the analysis, each participant’s story was discussed, interpreted, and written. Through the writing process, the researcher focused on three essential concepts for each participant: consumers’ perception of threat, their self-expression, and their postdiagnosis behaviors.

This study discovered four essential themes, Shangri-La, Furnace, Teeter-totter, and Reincarnated, as the four main worldviews through which consumers negotiate their identity and eventually engage with coping behaviors. Within these emerging worldviews, consumers assign their subjective meaning to the threat, reach an agreement regarding their identity, and engage in consumption practices/behaviors that facilitate and support coping and their identity. These worldviews were labelled by symbolic terms to make sense of consumers’ internal world when dealing with the threat.

In the Shangri-La worldview, consumers approach the threat within an optimism and idealism lens. They are prone to selectively processing information and favorably conceptualizing the threat. They never absorb cancer into their identity structure and deal with it through an ongoing narrative-normative identity style. Within the Shangri-La worldview, items/possessions continue to be consumed/preserved either as a means of bracketing off the disease to guarantee the continuity of preestablished self, or as means of magic to ensure the concept of self is fixed and impenetrable to threat.

Within the Furnace worldview, consumers perceive threat with negative, evaluative, and ruminative approaches. They see cancer as their identity subject to victimizing/stigmatizing. They frequently compare and perceive conflicts/holes/gaps between their current senses of self, previous self, and the ideal they desire. This mode of perception leads to self-conflict, self-confusion, and consequently seclusion and behavioural disengagement. Consumers’ self-expression within the furnace worldview reflects the diffuse-avoidant identity in which consumers who confront identity confusion attempt to delay acting with conflicts. In turn they employ an avoidant self. Instead of solving the self-voids, they engage in consuming items and activities to escape from the holes.

Within the Teeter-totter worldview, consumers’ mode of perception about threat is developed in a more rational and reflective way. Via questioning, learning and practicing new courses, they attempt to accommodate cancer as a new aspect of their identity structure. However, they are still attached to previous meanings that they have already built around self/life. In fact, they are teeter-tottering between narrative-normative and informational identity styles. Consequently, their consumption is served in paradoxical ways: avoidance vs. acceptance, escape vs. exposure, and self-deception vs. self-learning.

Eventually, in the Reincarnated worldview, consumers process the threat within an experiential lens rather than an evaluating, ruminating, biased, and judgmental view. They accepted their actual identity as a person who has lost some content and values and need to continue living with uncertainty. Consumers’ identity expression in the Reincarnated worldview reflects an experiential/observational/dynamic/mindful style rather than an enclosed, diffuse-avoidant, and teeter-tottering style. According to the Reincarnated worldview, consumers also experienced conflicts between pre and postcancer identity. However, instead of bracketing off, escaping, and fluctuating, they applied a combination of resurrection, recompense, and reconstruction solutions.
Within these four worldviews, this study epitomized how discrepancies in the mode of perception could pattern varied self-negotiation styles and consequently, generate different kinds of behavioural responses, adaptive or maladaptive, for survivor consumers. These worldviews had been built by consumers themselves and they can be reformed or at least improved by the help of marketers, health practitioners, and policy-makers.

References are available on request.
The Influence of Incidental Tokenism on Private Evaluations of Stereotype-Typifying Products

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Keywords: tokenism, consumer groups, negative stereotypes, private evaluations

Description: This research shows that consumers’ private attitudes can be unexpectedly influenced by the composition of groups they are merely incidentally a part of.

EXTENDED ABSTRACT

Five studies find that being an incidental token member in a transient group (e.g., a woman in a group of mostly men in a store line) lowers individuals’ private evaluations of products that typify the negative stereotypes of the tokenized identity. The authors argue that incidental tokenism activates negative stereotypes associated with the tokenized identity, which subsequently leads to a desire to disassociate specifically from identity-linked products that typify those stereotypes, as opposed to all identity-linked products in general. Consistent with this theorizing, similar results emerge when negative stereotypes are activated directly and the effect is attenuated when tokenized consumers are self-affirmed. These results demonstrate the largely unexamined consequences of being a token group member on private evaluations (vs. public behavior) in subjective, preference-based (vs. objective, performance-based) domains.

Research Question
Does incidental tokenism in informal transient consumer groups influence consumers’ privately-held attitudes and preferences?

Method and Data
All five studies are experimental in nature and were done online using the Amazon Mechanical Turk platform.

Summary of Findings
Six studies find that being an incidental token member in a transient consumer group (e.g., a woman in a group of mostly men in a restaurant) lowers consumers’ privately held attitudes toward products that typify the negative stereotypes of the tokenized identity. The authors argue that incidental tokenism activates negative stereotypes associated with the tokenized identity, which subsequently leads to a desire to disassociate from identity-linked products that typify those stereotypes. Consistent with this theorizing, similar results emerge when negative stereotypes are activated directly and the effect is attenuated when tokenized consumers are self-affirmed. Finally, it is demonstrated that the disassociating effect does not occur for all products linked to the tokenized identity, but rather is restricted only to products corresponding with negative stereotypes of the tokenized identity.

Key Contributions
Previous research in the domain of tokenism has primarily focused on organizational settings (Fairhurst and Snavely 1983; Kanter 1977) where the inclusion of token group members is generally ascribed to symbolic gestures and deliberate planning at the organizational level. This current work uses the tokenism framework (Kanter 1977) and demonstrates that incidental tokenism (i.e., finding oneself a token in an incidentally-formed, temporary group) can impact consumers’ private attitudes. Specifically, we show that even incidental tokenism can give rise to the type of negative experiences previously associated only with intentional tokenism, thus extending the scope of tokenism’s effects beyond formal organizational groups to contexts that regularly exist in consumer and consumption domains.

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Thus, this research adds to the literature on the influence of informal groups on consumer behavior by showing that consumers’ private attitudes can be unexpectedly influenced by the composition of groups they are merely incidentally a part of. The current research makes several contributions to the marketing and psychology literatures. First, it extends tokenism theory to (i) include the informal and incidental group contexts discussed above and (ii) examine its impact on privately held attitudes in consumption-relevant domains. Second, previous research has demonstrated that explicit identity threats can activate negative stereotypes and impact consumer preferences for identity-linked goods (White and Argo 2009; White, Argo, and Sengupta 2012). In contrast, our research finds that negative stereotypes can also be activated and influence consumer preferences for identity-linked products, specifically those that conform to the negative stereotypes of the identity, by incidental tokenism in impromptu and transient consumer groups.

References are available on request.
I Am What I Own and I Am What I Do: The Diverging Impact of the Extended Self in Access-Based Consumption

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Keywords: extended self, access-based consumption, inbound-sharing, outbound-sharing, P2P

Description: The purpose of this study is to emphasize the imperative to distinguish between two behavioral patterns in a P2P sharing context - inbound-sharing and outbound-sharing - and amplifies the existing understanding of the self-extension via possessions by the possibility of deriving some part of the own identity through sharing behavior.

EXTENDED ABSTRACT

Research Question
The increasing number of consumption opportunities within the sharing economy indicates the growing importance of access-based consumption. Although this phenomenon is further evolving and literature of sharing is rich and growing, marketing research has not established a theoretical framework of the sharing economy including a differentiation between dyadic (C2P) and triadic relationships (P2P). Thus, studies do not embed consumers’ sharing behavior into a sound theoretical setting that considers the triadic particularities within the sharing economy. These are that a consumer can either source resources from the system (in the following inbound-sharing) or provide resources for use by other community members (in the following outbound-sharing). In this paper, the imperative to distinguish between inbound- and outbound-sharing as well as the meaning of domains of the extended self (self-extension tendency and sharing-self link) within the sharing economy are examined with a quantitative study.

Method and Data
This study investigates whether or not possession- and/or sharing-self link influences the sharing intention in inbound- and outbound-sharing and if the car-sharing activity mediates this relationship. We recruited a sample of 132 potentially P2P car sharing consumers via social media postings. We analyzed the mediation via the specific sharing-self link using PROCESS. Moreover, we consider the main effect of self-extension tendency for each inbound- and outbound. We test the relevant predictors against the same set of controls which is necessary to ensure robustness.

Summary of Findings
Mediation analysis (PROCESS model 4; Preacher and Hayes, 2008) including the specific sharing-self link as mediator confirms a statistically significant indirect effect. When including the mediator, the significant impact of the general sharing-self link disappears. Hence, there is full mediation of the general effect via specific sharing-self links. The Sobel test confirms mediation. For the specific sharing-self link the 95% confidence interval for the indirect effect of the bootstrapping procedure (10,000 samples) does not include zero. OLS regression, including all investigated controls as well as the general and specific sharing-self link, was conducted to examine the role of the self extension tendency. Our study showcases that the self-extension tendency has no influence on the inbound-sharing intention. Moreover, the general sharing-self link does not affect the willingness to choose a car-sharing offer. The specific sharing-self link has a strong positive effect on the intention to receive a car by P2P car-sharing systems. Concerning the extended self in outbound-sharing, the extent to which possessions are part of the extended self in general exert a statistically significant negative influence. The general sharing-self link
exerts no significant influence. However, if consumers regard outbound-sharing as component of their extended self, the sharing intention increases.

Key Contributions
This study provides strong evidence that there is an imperative to distinguish between the two possible behavioral patterns in a triadic relationship within the sharing economy, namely inbound-sharing and outbound-sharing. Furthermore, the role of the extended self is quantitatively examined. Whereas the meaning of the extended self is well investigated in ownership-based consumption, less is known about the meaning of the extended self in access-based consumption within the sharing economy. This article fills this void by quantitatively examining the meaning of dimensions of the extended self within an inbound- and outbound-sharing context and pointing out its ambivalent nature as a driving and inhibiting force of the sharing intention depending on the item of extension. We demonstrated that the self-extension tendency does not only influences the perception of grief and loss related to ownership-based consumption (Ferraro et al., 2011) but also constitute a key inhibitor for consumers’ acceptance of outbound-sharing offerings. Investigating the driving component of the extended self (e.g. sharing-self link), this research empirically shows that an activity as inbound and outbound-sharing may be incorporated in consumers’ extended self and therefore drive the willingness to participate in a triadic relationship.

References are available on request.
To Do or to Have? Exploring the Effects of Social Exclusion on Experiential and Material Purchases

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Keywords: experiential purchases, social exclusion, materialism, threatening relational needs, self-construal

Description: This research examines the effects that after an experience of being social excluded, people would prefer more experiential purchases than material purchases, and to explore its mechanism and its boundary conditions.

EXTENDED ABSTRACT

Research Question
Social exclusion is widespread in all aspects of modern society. In the context of marketing, social exclusion will directly or indirectly affect the excluded individuals’ psychological status and behavior. When individuals are faced with social exclusion, do they prefer more experiential or material purchases, and what are the mechanisms and marginal conditions?

Method and Data
Through three experiments, this paper finds that individuals who are faced with social exclusion will prefer more experiential purchases than material purchases. Experiment 1 show that when consumers face social exclusion, they exhibit greater preference for experiential products than material products. Experiment 2 documents that mediating role of threatening of relational needs. Experiment 3 tests the moderating effects of two different personality traits. In particular, compared to independent self-constructed consumers, interdependent self-constructed consumers will exhibit greater preference for experiential purchases tendencies when faced with social exclusion.

Summary of Findings
This paper explores the impact of social exclusion on different forms of purchase (experiential purchase vs. material purchase), and its internal mechanism and the moderating effects of self-construction. The results show that social exclusion has a positive impact on people’s preference for experiential purchases, that is, individuals who experience social exclusion will have more experiential purchases. Specifically, social exclusion can lead to the threat of individual relationship needs. Individuals will seek certain strategies to alleviate the threat of relationship needs. Compared with material purchases, experiential purchases can more effectively compensate for the threat of missing relationship needs, help improve self-esteem and sense of belonging, and thus make the excluded prefer experiential purchasing.

Key Contributions
In this study, two more common types of consumption were applied to explain social exclusion and behavioral outcomes, namely, the preference of excluded individuals for different product types (experiential purchases vs. material purchases). This is a different research perspective from the past, not only expands the existing theory, but also provides a new strategy for dealing with the negative impact of social exclusion.

References are available on request.
Inherent in mental accounting (Thaler 1985, 1999) is the individual who is labeling and tracking personal expenses: the accountant. While the extant research on mental accounting largely ignores the characteristics of the accountant, the present research examines how the extent to which the accountant’s life roles (e.g., “employee” and “wife”) are integrated (i.e., overlapping and influenced by each other) influences the perceived fungibility of mentally accounted resources and, consequently, moderates traditional mental accounting effects. Across seven studies, the authors find that greater role integration increases the cross-account fungibility of resources allocated to mental accounts corresponding with those roles (i.e., role-aligned accounts). Accordingly, individuals with greater role integration are (i) more able to circumvent the constraints typically imposed by mental accounts and (ii) more likely to utilize resources from a mental account corresponding with one role to service the needs/wants of the other role. The authors argue that this effect can be explained by the greater degree of hedonic spillover between integrated (vs. segmented) roles and, thus, the greater likelihood of benefits derived in one role benefitting the other role. Consequently, the effect of role integration on mental accounting is more evident when making decisions about hedonic versus utilitarian options.

**Research Question**

Does greater role integration increases the cross-account fungibility of resources allocated to mental accounts corresponding with those roles (i.e., role-aligned accounts).

**Method and Data**

All four studies are experimental in nature and were done online using the Amazon Mechanical Turk platform.

**Summary of Findings**

Across seven studies, the authors find that greater role integration increases the cross-account fungibility of resources allocated to mental accounts corresponding with those roles (i.e., role-aligned accounts). Accordingly, individuals with greater role integration are (i) more able to circumvent the constraints typically imposed by mental accounts and (ii) more likely to utilize resources from a mental account corresponding with one role to service the needs/wants of the other role. The authors argue that this effect can be explained by the greater degree of hedonic spillover between integrated (vs. segmented) roles and, thus, the greater likelihood of benefits derived in one role benefitting the other role. Consequently, the effect of role integration on mental accounting is more evident when making decisions about hedonic versus utilitarian options.

**Key Contributions**

The majority of prior research on mental accounting has focused on how manipulating specific components of the mental accounting process (e.g., the relevant or active mental account, the potential expense being considered, or the source of the funds in the account) can influence consumers’ spending or consumption decisions. Much less research has
paid attention to the consumer making these decisions (i.e., the accountant). Spending decisions or tendencies can be affected by the extent to which one is spendthrift or a tight-wad (Rick, Cryder, and Loewenstein 2008), psychological reactance (Kivetz 2005), and thinking style (Hossain 2018), but beyond these examinations our understanding of the influence of the accountant in mental accounting is limited. The current research demonstrates that the extent to which consumers’ salient (or active) life roles (e.g., dad, manager, church member) are integrated can moderate mental accounting effects, particularly when those roles correspond with the focal mental accounts. To the best of our knowledge, this research represents the first intersection of the identity/role and mental-accounting literatures.

References are available on request.
Local Beer and the Nonlocals Who Enjoy It: Intergroup Rivalry Is Reduced When a Close Rival Highlights an Exclusive Subgroup

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Keywords: local brands, optimal distinctiveness, intergroup rivalry, subgroups, enjoyment

Description: This research examines how distance and ‘local’ brand positioning strategies influence enjoyment.

EXTENDED ABSTRACT

Research Question
We investigate the following two overarching research questions:

1. How does distance impact an individual’s enjoyment of “local” food and drink?
2. How does a brand’s local positioning strategy moderate the relationship between distance and enjoyment?

There has been a proliferation of products marketed as “local” in recent years. However, what defines a local product varies, as the construct is context-dependent and its meaning varies both between, and within, individuals (e.g., Morris and Buller 2003). We propose that optimal distinctiveness theory (ODT; Brewer 1991) can help explain when local positioning influences enjoyment—especially among nonlocals. Indeed, ODT suggests that intergroup biases can emerge in an effort to maintain a balance between individuals’ contradictory motivations to be both different and to belong. Extant research suggests that de-emphasizing the identity characteristics on which a rivalry is based attenuates instances of intergroup bias (e.g., Leonardelli and Brewer 2001). However, we argue that an alternate path to reducing intergroup bias can involve directly highlighting aspects of identity on which the rivalry is based. In our context, this “alternate path” is taken by brands that reference a geographic location that is relatively small and specific compared to the consumer’s salient level of geographic identity.

Method and Data
We tested for initial evidence of this phenomenon in the context of beer enthusiasts from the United States who are evaluating beer from domestic breweries in an online forum. Specifically, we collected 62,226 reviews posted to BeerAdvocate.com, a popular beer review website. The reviews are from 7,201 reviewers living across the continental U.S. for 9,357 beers from 640 U.S. breweries. Importantly, this online forum requires reviewers to provide little information about themselves except for their state-of-residence, which organizes the community around state-based locations and encourages one’s state-of-residence to be a salient social ingroup. State-based identities are especially salient in the United States, as individuals strongly identify with the state where they reside (e.g., Loehrke and Lee 2014; Wagoner and Hogg 2016). Reviews were subsequently coded as coming from an individual that resides in the same state as the brewery being reviewed (i.e., the in-group), a neighboring state (i.e., a nearby out-group), or a nonneighboring state (i.e., a distant out-group). Each brewery’s name was also examined to determine if it directly references its geographic origin, and whether that reference is substantially narrower than the state-level of geographic identity, thus reflecting a more exclusive geographic subgroup.
**Summary of Findings**

Our regression analysis finds that reviewers generally give lower ratings to beers from breweries located in geographic out-groups. Perhaps more importantly, we find that the penalty given to a member of a nearby out-group (i.e., a brewery located in a neighboring state) is practically eliminated when the out-group member highlights its membership in an exclusive geographic subgroup (EGSG) within the rival out-group. When the focal brewery does not reference an EGSG, reviewers from a nearby out-group give the brewery’s beers lower ratings than a reviewer from either a more distant out-group or the brewery’s in-group. However, when the focal brewery’s name references an EGSG, this intergroup bias dissipates and ratings by reviewers from a nearby out-group approach the level of ratings given by reviewers from the brewery’s in-group.

**Key Contributions**

We contribute to optimal distinctiveness theory (ODT) by demonstrating that intergroup bias can be reduced when a member of a nearby rival out-group *emphasizes* its rival identity—specifically, its membership in an exclusive subgroup found within the salient rival out-group. We also contribute to marketing practice by informing brand managers how they can create more effective local positioning strategies that increase nonlocals’ product enjoyment. Specifically, we find that positioning a brand as belonging to a relatively small and specific geographic subgroup can increase nonlocal consumers’ product enjoyment by removing the penalty they would otherwise give to brands from relatively nearby locations.

*References are available on request.*
The (Group) License to Indulge

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Keywords: healthy food consumption, moral self-licensing, peer group reliance

Description: The study questions the universality of the assumption that making social norms salient necessarily contributes to a good cause (e.g., spotlighting positive examples of relevant others in marketing campaigns) and empirically validates a framework that marries research on social proof to moral licensing.

EXTENDED ABSTRACT

Research Question
One of today’s most pressing questions is how to motivate consumers to engage in moral behavior or to consume healthier products. It is often believed that making social norms salient to the consumer is an efficient means of promoting such behavior. Pointing at positive examples set by other consumers or testimonials are widely used in (social) marketing, and many studies support this strategy. Yet there is also research that challenges the conventional wisdom that the “morality-of-the-crowd” necessarily stimulates consumers to act more morally. Although aiming at inducing a positive reaction, providing a social proof may ironically backfire. To explain this counterintuitive phenomenon and to reconcile the ambiguous findings, this paper presents a framework that marries research on social proof to moral licensing. Our theory expects consumers to differentially interpret the behavior of their peers, with opposing inferential implications. Under certain conditions, positively-charged group behavior may motivate consumers to align their behavior and act in a similar fashion, which is referred to as the social proof effect. In other circumstances, however, consumers may use the very same observation as a liberating excuse (or credit) to justify group-inconsistent behavior and to behave more egoistically. We term this phenomenon the social licensing effect.

Method and Data
In an experimental study we examine our effect in the domain of healthy food consumption. A total of 111 students (62 men, 49 women, Mage = 23.3) were randomly assigned to one of three experimental conditions of observed external credits. Participants first completed a reaction test. The subjects were told that the test measures deep-seated implicit attitudes towards healthy food consumption. The sequence of words was the same for all participants and reaction times were not measured. To manipulate the external credits, the participants were exposed to the manipulated average result for their fellow students at the end of the test. We applied a slightly modified lottery technique to measure the criterion variable. As an incentive for their participation, the subjects could participate in a raffle to win a grocery basket. They were asked to select one of two products in nine food categories (products for breakfast, lunch and dinner; beverages; snacks; approx. 25 USD). The list contained several product pairs with a more and a less healthy alternative. Measure the internal credits, the ensuing questionnaire included a scale of health consciousness with four items of Gould (1988) (M = 5.11; SD = .84; α = .70).

Summary of Findings
Our conceptual framework details the mechanisms that lead to the opposing implications that under certain conditions, positively-charged group behavior may motivate consumers to align their behavior and act in a similar fashion whereas other conditions motivate consumers to use the very same observation as a liberating excuse (or credit) to justify group-inconsistent behavior and to behave more egoistically. Due to the social proof effect, some consumers adjust their
decision to adhere to the social norm which we metaphorically label “herd instinct” behavior, whereas others deviate from the norm showing “herd distinct” behavior when a social licensing effect is activated. However, individuals may also show inconsistent behavior which they justify by balancing the contributions of their peers and their own prior moral actions. The framework presented in this research questions the universality of the assumption that making social norms salient necessarily contributes to a good cause (e.g., spotlighting positive examples of relevant others in marketing campaigns). This very basic principle of persuasion might be a double-edged sword as it can help and hurt at the same time.

**Key Contributions**
We observed peer-induced licensing effects in a situation in which peer behavior has no direct impact on the consumer and the progress towards the normatively charged goal (i.e., achieving and maintaining a good state of health). We demonstrate that in decision making situations with individual rather than common consequences, social licensing processes occur for consumers with low self-perceived internal credits. Remarkably, the healthfulness of consumption patterns measured by objective criteria (e.g., total calorie content) were affected by the outlook of their peers’ on healthy nutrition. The curvilinear influence of the peer effect is contingent on the internal credits held by the consumer. Furthermore, it is particularly the less (vs. more) committed consumers who are vulnerable to peer licensing. For those with lower health consciousness, we observed a notable increase in total calorie content (+9.9%), total fat (+17.1%), and total carbohydrates (+6.4%) when the peers had a generally positive (vs. neutral) outlook on healthy nutrition. Owing to the fact that the peer actions do not help to achieve the normative goal and norm-deviant behaviors directly affect the consumer, no liberating social licensing effects were observed for the more committed, health-concerned consumers.

References are available on request.
Expressions of Sincerity: How Anthropomorphic Cues Can Help (or Hurt) Consumer Reactions to Service Delays

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Keywords: anthropomorphism, service delays, sincerity, attribution of blame

Description: This work examines how consumers can interpret anthropomorphic messengers’ expressions differently as a function of blame for a service failure, positing that when the service provider is not to blame, sad faces are more detrimental to consumer responses than happy faces, while when the service provider is to blame, happy faces can actually be less effective than sad faces in mitigating damage to consumer responses.

EXTENDED ABSTRACT

Research Question
How do consumers perceive anthropomorphic messengers differently based on the attributable reason for a service delay?

Method and Data
Two between-subjects experiments with Amazon Mechanical Turk (MTurk) panelists examined the research question. One study focused on an airline context, while the other utilized an internet service context.

Summary of Findings
Summarily, this work finds that anthropomorphic cues can either be beneficial or damaging to consumer responses depending on the attributed reason for a service delay. If the provider is to blame, then a sad face can mitigate the damage to repatronage intentions. Meanwhile, if the provider is not to blame, a sad face leads to reduced consumer responses. However, even when a provider is not at fault, a happy face appears to offer no benefit and may in fact actually result in lower repatronage intentions than if the face were left out altogether.

Key Contributions
While prior research has determined that patience declines when time itself is anthropomorphized (May and Monga 2014), the current work clarifies that anthropomorphic cues associated with a delay can boost patience depending on the given face. Perhaps more importantly, this paper is among the first to demonstrate that anthropomorphism can mitigate attribution of blame when a service provider is at fault through the use of sad faces by increasing perceived sincerity and patience. The findings also demonstrate that, as past research has found, anthropomorphic cues can be helpful in some cases and harmful in others. These findings suggest the need for further research demonstrating how facial expressions and emotions (i.e., happy vs. sad) are interpreted when worn by anthropomorphized messengers.

From a managerial standpoint, providers can protect their repeat business by including no anthropomorphic cues (or a happy face) when the reason for a delay is attributable to circumstances outside of the provider’s control. However, if consumers could conceivably blame the provider for a delay, then the provider would most likely benefit from a sad face. Further, providers can circumvent negative reactions by stating the reasons for delays as long as those delays are not attributable to the provider.

References are available on request.
Impact of Transaction Cost on Brand Selection: An Empirical Study on BoP Consumers

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Keywords: transaction cost, bounded rationality, constrained brand selection, social capital theory, social embeddedness

Description: The paper describes the impact of transaction cost on the BoP decision making with empirical findings.

EXTENDED ABSTRACT

Research Question
RQ1: How does vulnerability impact the CDM at the BoP level?
RQ2: How does transaction cost impact the CDM at the BoP level?

Method and Data
A survey was conducted using a questionnaire designed with a five-point Likert scale (Likert, 1932) (1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree) to record the responses, for measuring the antecedents of transaction cost. A total of 201 respondents were surveyed (Kline, 1998). Two main criteria for taking part in the survey were a) the respondent should be the earning member for a family and b) must do the grocery shopping for a family. These conditions were required to capture the financial limitations as well as instantaneous decision-making capabilities.

Exploratory factor analysis (EFA) was conducted for dimension reduction and to gauge the main factors for the study. It was followed by Confirmatory factor analysis (CFA) using SEM for dimension assessment. The construct reliability was assessed using Cronbach’s alpha and composite reliability score. Further convergent and discriminant validity were tested along with the overall model fit indices.

In SEM, the path was analyzed in terms of its causal inference on the variable, direct or indirect interactions. In this study, the consumer vulnerability, bounded rationality, lock-in effect, opportunism are exogenous variable and path analysis traces their interaction with constrained brand selection, the endogenous variable (Byrne, 2016).

Summary of Findings
The Cronbach alpha for the constructs met the minimum standard of 0.60 and above (Hair et al., 2006; Manerika and Manerika, 2015; Nunnally, 1978): 0.667 for Consumer Vulnerability (CV), 0.663 for Bounded Rationality (BR), 0.673 for Lock-in effect (LE), 0.911 for Opportunism (OP) and 0.721 for Constrained Brand Selection (CBS).

AVE score for all the constructs exceeded 0.60 and composite reliability score for each construct was more than 0.70. AVE scores are 0.60 for Consumer Vulnerability (CV), 0.56 for Bounded Rationality (BR), 0.55 for Lock-in effect (LE), 0.66 for Opportunism (OP) and 0.50 for Constrained Brand Selection (CBS)

These findings ensure that the convergent validity for the model is achieved. The scores for composite reliability were 0.75 for Consumer Vulnerability (CV), 0.93 for Bounded Rationality (BR), 0.94 for Lock-in effect (LE), 0.92 for Opportunism (OP) and 0.82 for Constrained Brand Selection (CBS).

The model qualifies the Kaiser-Meyer-Olkin Measure of Sampling Adequacy test with a score of 0.718.
The path estimates support and shows the significant path between the research constructs. In this structural model, H1 (Consumer vulnerability > Bounded Rationality), H2 (Consumer vulnerability > lock-in effect), and H3 (Consumer vulnerability > Opportunism) are well supported. The constrained brand selection was the final outcome of this path estimations. The H5 (Lock-in effect > Constrained Brand Selection) was significant for this study. The H4(Bounded Rationality > Constrained Brand Selection) and H6 (Opportunism > Constrained Brand Selection) were found significant in this study.

Key Contributions
Referring back to research gaps identified in the previous section, this study has certain improvements to offer over existing theories of CB as well as BOP marketing. The present study along with its proposed framework integrate various socio-economical and socio-psychological components to capture the limitations faced by the BOP segment. The present model incorporates consumer vulnerability as a macro variable and establishes its association with the micro level (individual level) variables such as bounded rationality, opportunism and lock-in effect culminating in transaction cost.

The retail choice emerges as a new construct during data analysis. This construct highlights the importance of personal attributes of a retailer as well as consumer’s perception of retail place. This finding is particularly relevant in the context of the BOP segment where market interactions and exchanges are guided by a higher level of social embeddedness (Varman and Costa, 2008). As observed, many a time the selection of purchase point is not based upon convenience factors rather influenced by personalized association with the shopkeeper. The emergence of this construct conforms the higher degree of efficacy and dependence on social capital in the subsistence environment (Viswanathan et. al., 2012).

References are available on request.
Will Scientific Names Perform Better Than Common Names? Ingredient Name Decision Depends on Food Type and Regulatory Focus

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Keywords: ingredient name, food type, regulatory focus, construal level theory, perceived guilt and perceived efficacy

Description: Drawing from Construal Level Theory, this research examines the choice between common and scientific names for food ingredients under different food types (vice vs. virtue) and regulatory foci (promotion vs. prevention) with two experiments, which provides important insights for marketers to choose the right nutrition ingredient name to promote their foods.

EXTENDED ABSTRACT

Food packaging provides information on the point-of-sale, delivers product images, and influences consumers’ product evaluation. Ares et al. (2009) indicated the displaying ingredient name differently can influence consumer’s food evaluation. Construal Level Theory (CLT) provides a theoretical support in explaining how presenting ingredient with a common or scientific name influences consumers’ food choice. Drawing from the CLT, researchers have discovered that consumers’ abstract or concrete mindset are related to food type (Jeong and Jang, 2015) and regulatory focus (Lee and Aaker, 2004; Lee et al., 2010).

This research examines how marketers should choose between common and scientific names for their food ingredients under circumstances of different food types (vice vs. virtue) and regulatory focus (promotion vs. prevention) being used. The research further examines perceived guilt and perceived efficacy as the underlying mechanisms to respectively explain consumer perception of ingredient name on product evaluation for vice and virtue foods.

In Study 1, a 2 (ingredient name: common vs. scientific) × 2 (food type: vice vs. virtue) × 2 (regulatory focus: promotion vs. prevention) between-subjects design was conducted using actual product packaging. Eight version of packaging were created with a fictitious brand name Bafecus and each of the product was 100 mm long by 10 mm width by 150 mm high with approximately 20grams of chocolates or raisins. After viewing the product, participants indicated their attitudes toward the product and how likely they would buy the product based on a 7-point scale. The results showed that when participants saw a vice food product, presenting ingredient with a common name and promotion-focused health claims lead to higher attitudes and purchase intention. In contrast, when it was a virtue food product, presenting ingredient with a scientific name and prevention-focused health claims lead to higher attitudes and purchase intention.

In Study 2, we replicated the experiments in Study 1 with different dependent variable and manipulation to test the robustness of the results. A 2 (ingredient name: common vs. scientific) × 2 (food type: vice vs. virtue) × 2 (regulatory focus: promotion vs. prevention) between-subjects design was conducted with orange juice or soda as the test product. Participant were first asked to read a magazine article regarding to health varying in promotion or prevention focus. After the priming task, participants were asked to view one of four ads with a fictitious brand name Ohi of orange juice or orange soda. After ads viewing, participants...
were asked how much they were willing to pay (WTP) for the advertised products. We found that participants in the promotion focus condition were more willing to pay for the vice food product using a common name. On the other hand, participants in the prevention focus condition were more willing to pay for the virtue product using a scientific name. Consumer perceptions vary in vice and virtue food categories (Mishra and Mishra, 2011; Okada, 2005; Rudi and Çakır, 2017). The data was separated according to food type to test the moderated mediation analysis (Model 7 in PROCESS) with 5,000 bootstrapping method (Hayes, 2013). The results suggested that the mediated moderation effect through perceived guilt for vice food and perceived efficacy for virtue food were significant.

The results based on two experiments show that a scientific name is more persuasive when the food is framed in virtue than vice with prevention focus as these are congruent with consumers’ low construal mindset. However, due to the congruency of consumers’ high construal mindset, a common name works better than a scientific name when the food is framed in vice than virtue with promotion focus. The choice of ingredient name (common or scientific) does not matter when the food is vice for people with a prevention focus; or when food is virtue for people with a promotion focus.

Our findings provide important insights for marketers to choose the right nutrition ingredient name to promote their foods. First, we demonstrate the effectiveness of ingredient in common or scientific name with different boundary conditions, suggesting that the right combinations will increase consumers’ product evaluations. Second, we explain the different psychological construal will influence the presentation of ingredient names and broaden CLT in food type and regulatory focus, demonstrating the positive and negative combinations as a reference for food marketing. Third, the underlying mechanisms of perceived guilt and perceived efficacy are consistent with the studies that hedonic triggers guilt (Kivetz and Simonson, 2002) and utilitarian associates with functionality (Cox et al., 2010; Shiv et al., 2005). The right combination will reduce consumers’ guilt of vice consumption and increase the belief in the efficacy of the recommended virtue food. The findings also have important implications both for brand managers and advertisers. Marketers may benefit from using the ingredient name differently. They can also frame their products into relative vice or virtue by emphasizing hedonic or utilitarian values and manipulate consumers’ regulatory focus using framing or priming tasks in health claims or health articles to increase consumers’ product evaluations.

References are available on request.
Segmenting Informational Mobile Application’s Consumer Based on the Factor That Affect Consumers’ Continuous Intention to Use: A SEM-Cluster Approach

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Keywords: mobile application, continuous intention to use, perceived ease of use, perceived usefulness, information quality, system quality

Description: This study purposes to help the app provider to segment their customers based on the antecedents (information quality, system quality and interactivity) of the users’ intention to use the informational app continuously.

EXTENDED ABSTRACT

Research Question
The advent of 4G revolution and the increased usage of mobile phones in India lead to subsequent exponential growth in mobile applications, in particular applications focusing on utilitarian benefits (Song et. al., 2011). Previous literature postulated that the consumers prefer apps that provide information over entertainment and hence most of the studies focus on apps which provide hedonic benefits (book, shopping, games, music except banking) instead of the apps which provide utilitarian benefits (business, education, healthcare, medical, navigation, news) (Kim et al., 2014). This study purposes to help the app provider to segment their customers based on the antecedents (information quality, system quality and interactivity) of the users’ intention to use the informational app continuously.

Method and Data
The study will be done in two phases. First phase, is to verify the factors that affect consumers continuous intention to use an app with the mediating effect of perceived usefulness and perceived ease of use. Hence, SEM is used for checking the model validity. The Second phase is to segment the customer by incorporating SOMs (self-organizing maps) and k-means algorithm with the validated factors of the first phase. The scale for the study has been adopted from existing validated scale. Four-item and three-item scales from Chen and Tsai (2016) were adopted to measure information quality and system quality respectively. Similarly, to measure the construct—interactivity, five-item scale of Sajadi (2016) was used. The scales for perceived usefulness with six items and perceived ease of use with five items were taken from Abdhulla et al. (2016) and Chen and Tsai (2016) respectively. Finally, four-item scale from Merikivi et al. (2017) was used to measure continuous intention to use. The scales were measured on seven-point likert scale. The data was collected from 274 respondents and consists of students and working executives.

Summary of Finding
The results show that the perceived usefulness is affected by interactivity, and perceived ease of use showed relationship with information quality, system quality and interactivity and finally both the mediating variables leads to continuous intention to use the app. Finally, the validated variable of SEM is taken as an input variable for the cluster analysis. The SOM identified four (a, b, c and d) clusters whereas k-mean identified two cluster (A and B) but the result also shows that the k-mean A (6.18) cluster is the combination of the SOM a (5.92) and c (6.49), and cluster B (4.87) is the combination of the b (3.50) and d (5.0). The ‘A’ cluster from the k-mean has maximum probability to use the app continuously whereas the B cluster has lesser probability to use the app continuously.

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**Key Contribution**

The first phase of study measures the validity of the model. The significance of interactivity on perceived usefulness and perceived ease of use providers to the app developer to develop the flexible and customize environment of the app in a way to share the information to the social media and easy connectivity with the customer service. The significance of information and system quality with the perceived ease of use indicates that service providers must ensure the reliability of the information on the app (Gorla et al., 2010) and must give priority to factors contributing to the reliability, integrity, flexibility and accessibility of the app (Nelson et al., 2005).

The second phase is cluster analysis, the Cluster A, Aa and Ac has high intention to use the informational app continuous. These consumers are potential user of the app and the app provider has to customize the solution according to them for retaining the consumer to use the app continuously. The B, Bb and Bd has average and slightly higher than average. Overall, these consumers are not completely satisfied with the service provided by the app provider in terms of the information, and service quality.

*References are available on request.*
Defining Street Credibility: An Exploration of the Complex Relationships Between Street Credible Endorsers and Diverse Consumer Groups

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Keywords: celebrity endorser, street credibility, credibility, qualitative

EXTENDED ABSTRACT

Research Question
The purpose of this research is to gain an understanding of the universal appeal of celebrity endorsers that are deemed as “street credible.” Specifically, we empirically define the term “street credibility” and explore the complex relationships these endorsers have with consumers.

Methodology and Data
Ethnographic research including over sixty hours of in-depth interviews with 64 respondents of varying racial and social economic backgrounds.

Summary of Findings
Street credibility is different from being “cool.” Different consumer groups have different meanings and uses for street credible endorsers. Some consumers see the street credible endorser as an aspirational figure while others are drawn to the street credible endorser’s art as a form of entertainment and still, a third consumer group sees them as both.

Key Contributions
This paper empirically defines street credibility and provides insight into diverse consumer groups’ affinity for street credible figures. As street credible celebrities are predicted to replace athletes as the most influential group of endorsers, this research allows for a deeper understanding of who is street credible and the appeal such credibility holds for consumers.

References are available on request.
Credibility of Negative Word-of-Mouth: Gender, Reputation and Emotion Effects

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Keywords: negative word-of-mouth (NWOM); gender stereotypes; emotion; reviewer credibility; review helpfulness

Description: This research examines the moderating effects of reviewer gender stereotypes and reviewer reputation on emotional negative word-of-mouth (NWOM) credibility and helpfulness.

EXTENDED ABSTRACT

Research Question
Two questions guided this research. First, do review readers evaluate female- and male-authored NWOM the same when emotional content is present (vs. absent)? Specifically, this study examines the interaction between reviewer gender and emotional content on the perceived credibility and helpfulness of NWOM. Language Expectancy Theory (LET) suggests that men (vs. women) benefit from higher perceived status and, therefore, can use a wider range of emotional expressions while maintaining their persuasiveness (Burgoon, Denning and Roberts, 2002; Folse et al., 2016). Second, does reviewer reputation (e.g., reviewer with or without a reputation badge) moderate these effects? Prior research suggests that such source signals have a significant impact on consumers’ evaluations of information (Lee, Im, and Taylor, 2008; Schlosser, White, and Lloyd, 2006).

Method and Data
In study 1, MTurkers (N = 443) were randomly assigned to one of eight conditions of a 2 (reviewer reputation badge: absent vs. present) × 2 (emotions: present vs. absent) × 2 (reviewer gender: male vs. female) between-subjects design. The emotional negative review provided a star rating of 1 out of 10 and included three angry face emoticons. Emotion markers were removed from the nonemotional review. The gender information was presented through an abbreviated name (AndrewD vs. JennyD) and a gender relevant avatar. About half of the reviews contained no reviewer reputation information, while the other half included a reputation badge stating that the reviewer was rated as a “Top 10 Reviewer.” The dependent variables were perceived reviewer credibility and perceived review helpfulness measured on 9-point scales (1 = not at all and 9 = very much). ANOVAs showed significant main effects of emotion and reputation and a significant three-way interaction between reputation, gender and emotion on both dependent variables. Then, study 2 replicated the findings of the reputation badge condition of study 1 with a different product, an engineering textbook.

Summary of Findings
Two web-based experiments support our hypotheses. When reviewer reputation cues are absent, the presence of emotions harms the credibility and (only directionally) helpfulness of female-authored reviews, but does not affect the evaluation of male-authored reviews. This is in line with persuasion research findings (Burgoon, Birk, and Hall, 1991) demonstrating that high status sources are given license to use a variety of persuasive strategies, while low status sources are restricted to using low intensity language. In contrast, when reputation cues are present, results are reversed such that emotional content in NWOM harms the credibility and helpfulness of male-authored reviews, but does not affect female-authored reviews. We argue that this is due to the existence of various masculine and feminine subtypes that are kept to different standards (Biernat, Ma, and Nario-Redmond, 2008). Accordingly, females (males) with high reputation are judged by a lower (higher) criterion, whereby they are expected to be knowledgeable but not unemotional (emotional). Additionally, we demonstrate the positive effect of reputation cues on NWOM credibility and helpfulness (Baek, Ahn, and Choi, 2012). This suggests that consumers use source reputation as a heuristic in judging reviewer credibility and message helpfulness (Forman, Ghose, and Wiesenfeld, 2008).

For further information contact: Georgiana Craciun, Assistant Professor of Marketing, Duquesne University (craciung@duq.edu).
Key Contributions
This is the first research to demonstrate reviewer gender stereotypes effects in emotional NWOM. Findings demonstrate that reviewer gender stereotypes and reputation influence how readers evaluate emotional NWOM. Consumers are advised to keep their online reviews as unemotional as possible, since unemotional reviews were perceived as more credible and helpful. In addition, consumers are encouraged to disclose identity information, including gender, since disclosing gender increased perceived reviewer credibility.

Findings also help companies understand the impact of gender stereotypes in online NWOM and detect the most helpful NWOM in order to correct product issues and improve future eWOM. Additionally, companies hosting websites need to encourage reviewers to self-identify to help consumers, who are clearly using all the source cues they can find, to make more accurate judgements about the source (Dou, Walden, Lee, and Lee, 2012).

References are available on request.
Beyond Nudging: Boosting Consumer Decision-Making Through Gamification

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**Keywords:** nudging, boosting, decision-making, competences, gamification

**Description:** As an approach for improving consumers’ decision-making competences in fields with high knowledge asymmetry, this paper conceptualizes gamification-enhanced consumer boosting.

### EXTENDED ABSTRACT

**Research Question**

Boosting is defined as context-specific and in-time education of people with the target of increasing their knowledge, empowering them to make better decisions. We set out to develop a conceptual model of how the quality of choice can be affected by boosting. The success of boosting depends on the intrinsic motivation of people to be educated in a certain context. Having found that this intrinsic motivation to learn is lacking in financial services, our conceptual model shall also consider how gamification can impact the effect of boosting on choice.

**Method and Data**

The present exploratory research, which arises out of previously conducted experiments on nudging, combines an in-depth literature review of a variety of research streams, namely judgment and decision-making, knowledge and gamification, to derive a new conceptual model on the interconnectedness of these constructs. This is validated and tested for relevance through a series of semi-structured expert interviews.

**Summary of Findings**

The following hypotheses have been developed and visualized in a conceptual model in order to be further tested in experimental settings:

H1: Boosting consumers by providing them context-specific information positively affects the quality of consumer’s choices in a purchase process.

H2: The improvement in choice quality through boosting is mediated by an increase in context-relevant knowledge.

H3: Boosting’s impact on knowledge is enhanced when boosts are being presented in a gamified format.

Furthermore, a conceptual model is suggested based on these hypotheses.

**Key Contributions**

The present research yields a variety of significant implications both for further research as well as for practice.

The research introduced in this extended abstract contributes to the disciplines of marketing and consumer psychology by enhancing the nascent literature on boosting as a consumer-centric choice architecture tool. Following the rationale that services are cocreated by consumers, they need to be given the right tools and competences to create positive, high-quality experiences along their journey. As this cocreation requires consumers to exercise their own agency, boosting has a much better fit with the service-dominant logic than a rather manipulative approach such as nudging has.

The paper considers existing literature on boosting and proposes a cleaner definition, which is less dependent on other choice architecture constructs such as nudging than previous definition attempts. At the same time, it proposes a conceptual model, to be tested empirically in further research. This is required as we suggest that while there is an impact of boosting on choice, it is mediated by the individual’s knowledge increase, which in turn requires a moderator such as gamification to unfold its potential. The work takes a few big strides at the same time, however to push forward the discussion, this approach is required: By proposing, and...
later on testing, these interdependencies, an actual reference point for the application of boosting as a choice architecture tool in marketing is provided.

From a practical perspective, the present paper for the first time gives organizations trying to implement approaches that improve consumer choice without manipulating them a general guide how to approach this endeavor with gamified boosting.

References are available on request.
Price in Online Display Ads: An Eye-Tracking Study

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Keywords: online display ads, price anchoring, nonconscious price processing, eye-tracking

Description: By the aid of any eye-tracking study, the effects of price magnitude on gaze behavior examined when price is featured in online display ads.

EXTENDED ABSTRACT

Research Question
Although some studies (e.g., Drèze and Hussherr 2003; Yoo 2008) reveal that online ads can affect consumers even when they are trying to avoid them, they do not formally examine the cognitive processes through which ads exert their influences. This research gap becomes even wider for the issue of price information in online ads. To the best of our knowledge, there are no guidelines about communicating price information in online display ads.

Previous research reveal that contextual price anchors impact consumers responses even when either they are not paying attention to the price anchor, or they are not aware of its potential effect on their judgments (Adaval and Monroe 2002; Nunes and Boatwright 2004; Thomas and Morwitz 2009). To investigate the effects of price anchors, two types of contextual anchors have been mostly employed in previous studies: (1) explicit anchors and (2) subliminal ones. We argue price anchors in online ads are not subliminal anchors because consumers are aware of them. They are not explicit anchors either because consumers do not process them with full attention. Against this backdrop, the current research aims to document the processing of incidental ads in an online environment when the magnitude of price stimuli differs, and the number of exposures vary (one versus three).

Method and Data
In this study, we use the attention given to a marketing stimulus—measured in terms of fixation duration—as a proxy to capture the presence of “incidental” processing. Attention to a marketing stimulus can be a proxy to measure the nonconscious processing of that stimulus, and eye-tracking has been widely used to measure consumers’ attention to a visual stimulus. Therefore, given the general purpose of this research, eye-tracking becomes the method of choice because it measures in a nonintrusive manner the fixation duration at a visual stimulus with a high level of precision (Orquin and Mueller Loose 2013). When consumers pay more attention to the stimuli, we argue that they engage in more elaborated cognitive processing.

This study is a 2 (magnitude of price anchor: low, high) × 3 (order of exposure: first, second, third) mixed design in which ad placement order is the within-subject factor. We recruited 65 participants and we randomly assigned them to one of the treatment conditions.

Summary of Findings
According to the results, there was a significant main effects of price magnitude on fixation duration and on pupil size. This suggest that participants processed online ads that featured high-value price stimuli more deeply than online ads that feature low-price value when ads are displayed incidentally on the web page. Furthermore, results show that the number of fixation dropped for the repeated exposure of the same ad. This suggests that participants were consciously avoiding display ads. However, participants’ fixation duration increased for the repeated exposures when
they were exposed to high-price ads. One conclusion is that while participants were consciously avoiding the ads, as the number of fixations dropped, their fixation duration changed in the opposite direction of their conscious behavior. In other words, while participants were consciously avoiding the incidental ads, they elaborated the high-price ad more deeply in the repeated exposures. On the contrary, the repeated exposure for the low-price ads did not change the fixation duration. That is, unlike high-price ads, the low-price ads did not motivate consumers to pay more attention to them.

**Key Contributions**

In terms of theoretical contribution, this study helps to investigate the mechanisms of price anchoring for incidental prices and to examine the effect of repeated exposures to the incidental price anchors. In accordance with previous eye-tracking studies (e.g. Drèze and Hussersh 2003; Hervet et al. 2011) results show that even though participants did not recall the target ads, they fixated on the ads at least one time. Also, the fact that participants had fewer fixations for the repeated exposures supports the idea that online consumers intentionally avoid the display ads. Moreover, in the favor of our claim that the price stimuli in the ads can affect consumers’ gaze behavior, participants had longer fixation duration and larger pupil size for the ads which contained high-magnitude prices. Therefore, price can be considered as a bottom-up factor which affects consumers’ attention toward the incidental display ads. Our findings can help marketers to better design their online display ads by selecting the proper product for the ads in terms of its selling price, and by selecting the proper ad repetition strategy.

*References are available on request.*
The Effect of Cultural Differences on Consumers’ Willingness to Share Personal Information

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Keywords: data sharing, cultural differences, privacy, benefits

Description: This study illustrates how cultural differences moderate the relationship between consumers’ willingness to share data and its main drivers—privacy concerns and perceived benefits.

EXTENDED ABSTRACT

Research Question
As data are on the verge of becoming the world’s most valuable resource, organizations increasingly collect and analyze consumer data to optimize their marketing efforts, react to changing consumer needs, and adapt their corporate strategies accordingly. This is an emerging global phenomenon that affects consumers in almost any country. While antecedents and consequences of consumers’ willingness to share personal information have been researched exhaustively, there is a lack of research that investigates how cultural differences across countries affect consumers’ willingness to share personal information. The purpose of this study is to test how the relationships between consumers’ willingness to share personal information and its main drivers—privacy concerns and perceived benefits—are systematically moderated by cultural differences across countries. Therefore, we aim to answer the research question of how cultural differences across countries affect consumers’ willingness to share personal information.

Method and Data
We develop a conceptual model that proposes main and moderating effects of cultural differences on consumers’ willingness to share personal information. We test our hypotheses using a hierarchical multilevel regression model on data collected from 15,068 consumers from 24 countries. We used validated constructs to measure consumers’ willingness to share personal information, privacy concerns, and perceived benefits. We operationalized cultural differences across countries using Hofstede’s value dimensions. Power distance describes how a society handles power inequalities. Individuals accept hierarchies in countries with high power distance, while they strive to equalize inequalities in countries with low power distance. Masculinity is observed in competitive countries with a tough culture—individuals are assertive and strive for achievements, heroism, and rewards for success. Consensus-oriented societies in which individuals are modest and cooperative are referred to as feminine. Societies with strong uncertainty avoidance try to control the future and maintain rigid behaviors and beliefs. In countries with low uncertainty avoidance, practice is more important than principles and individuals have rather relaxed attitudes. Long-term orientation describes societies that are rather pragmatic, encourage thrift, and preparation for the future, whereas short-term oriented countries mistrust social change and stick to traditions and norms.

Summary of Findings
Privacy concerns (negatively) and perceived benefits (positively) are significant level 1 predictors of consumers’ willingness to share personal information. Power distance. We find a significant level 2 effect, indicating that countries with high power distance are more willing to share personal information. At the same time, power distance significantly moderates and mitigates the effects of privacy concerns and perceived benefits. We excluded the two dimensions individualism and indulgence as they are highly correlated with power distance and long-term orientation, respectively.

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ceived benefits. Consumers’ decisions in these countries are rather affected directly by the notion of power distance than by privacy concerns and perceived benefits. Long-term orientation. We find that long-term orientation is a significant level 2 predictor. Data collection can be regarded as a current norm, while a more long-term oriented culture might be deterred by long-term risks (e.g., potential data breaches). There is a significant moderating effect of long-term orientation on the effect of privacy concerns, thus, making consumers from long-term oriented cultures more sensitive to privacy. Uncertainty avoidance. We find a significant mitigating effect of uncertainty avoidance on perceived benefits. Since uncertainty avoidance reduces perceived benefits, consumers from countries with high uncertainty are less willing to share personal information. Masculinity. There are no significant effects to report.

Key Contributions
We show that data collection in general and the effects of privacy concerns and perceived benefits, in particular, are affected by culture. Culture can explain why consumers in different countries react differently when requested to provide personal information. Our findings are of interdisciplinary relevance for both academia and practice. They help managers to optimize their privacy strategies based on consumer culture, to trigger information sharing by reducing privacy concerns, and to adapt their understanding of the role of culture to other business contexts (e.g., change management initiatives or cross-border M&A). In addition, these findings add to and extend the scholarly debate on how culture and country characteristics may influence consumers’ sensitivity and willingness to share personal information.

We find that perceived benefits and power distance increase consumers’ willingness to share data, whereas privacy concerns and long-term orientation decrease the intention to share personal information. Moreover, we find significant moderating effects. A high score on power distance mitigates the effects of privacy concerns and perceived benefits on consumers’ willingness to share data. Consumers from long-term oriented countries are more sensitive to privacy concerns and are thus less willing to share data because uncertainty avoidance reduces the positive effects of perceived benefits.

References are available on request.
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When Connected Products Fail to Connect

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Keywords: automated products, psychological ownership, digitally mediated relationships, customer lifetime value

Description: We demonstrate how product automation negatively impacts the consumer-product relationship and downstream consequences of interest to marketers.

EXTENDED ABSTRACT

Research Question
Automated products help consumers achieve greater efficiency by not having to invest their own time and effort into routine tasks such as cleaning the floors or mowing the lawn. However, as separation from products becomes more commonly integrated into consumers’ lives, it also disturbs the development of consumer-product relationships through psychological ownership. Psychological ownership is a cognitive and affective state of “felt” ownership that develops towards a target, separate from any claims of legal ownership, which leads to positive attitudinal, motivational, and behavioral consequences related to the target (Pierce et al. 2003). Just as digitally mediated communication changes how human relationships develop (Walther 1992), it can also impact how consumers perceive and relate to products.

We focus here on automated products, those that reduce or replace human interaction. Automated versions of traditional consumer products are already available for vacuum cleaners and lawn mowers, with self-driving cars on the immediate horizon. Our research investigates how the automation of products impacts human interactions and relationship development with the product. Specifically, we believe that as automation replaces the need for human interaction, psychological ownership will be lower along with subsequent attitudinal and behavioral consequences such as satisfaction and brand loyalty.

Method and Data
Unlike previous studies of psychological ownership in marketing which focus on willingness to pay for an object prior to acquisition, we focus on the relationship dynamics that develop after usage. Study 1 examined Amazon product reviews for both traditional and robotic vacuum cleaners. An analysis of these reviews using LIWC text-analysis software showed significantly higher levels of positive emotional words connected to traditional vacuums than robotic vacuums even after controlling for the star rating of the reviews.

Study 2 experimentally tested the development of psychological ownership and its attitudinal consequence of satisfaction between a traditional or automated product. In this study, a virtual driving experience was used to simulate product usage of either a traditional or self-driving car. As expected, psychological ownership and satisfaction were both significantly higher for those in the traditional car condition than in the self-driving car condition. Further, the effect on satisfaction was mediated by psychological ownership.

Summary of Findings
Two studies provide initial support for the hypothesized deleterious effects of automated products relative to traditional products. Study 1 showed that consumers have greater positive emotional connection to traditional vacuums than robotic counterparts. This is consistent with the anticipated emotional effect associated with psychological ownership. Study 2 demonstrated the effect of traditional versus automated products on psychological ownership and product satisfaction after initial usage of the product. Automation had a significant negative effect on psychological ownership which mediated the negative effect on product satisfaction. Future studies are planned to demonstrate this effect on other downstream consequences of psychological ownership such as emotional attachment, proactive maintenance behaviors, and long-term brand loyalty. Additionally, we plan to investigate mechanisms marketers can employ to mitigate the negative effects of automation.
Key Contribution
Currently about 32% of US households have begun to adopt some form of smart technology and that is forecasted to reach 53.1% of households by 2022 (Statista 2018). For consumers, automation allows for managing routine tasks more efficiently. However, this may lead consumers to feel more connected to the interface device (smartphone or smart home device) rather than the end product itself. Previous research has explored types of consumer-product relationships and the downstream consequences of those relationships (e.g. Lastovicka and Sirianni 2011). We extend this line of research to show how differences in psychological ownership develop as a result of the product interface and demonstrate subsequent negative effects on postpurchase consumer-product relationships. Importantly, our work will also examine ways for marketers to overcome these limitations of automation.

Marketers need to understand how consumers interact and relate to products in order to avoid the consumer disconnect that may develop as a result of lowered psychological ownership. Unmanaged, this disconnect may lead to lower proactive maintenance behaviors, meaning lower aftermarket sales, and lower repurchase intent, meaning lower future sales. Our research offers clear implications for managing customer lifetime value in the face of a highly automated future.

References are available on request.
How a Brand’s Moral Character Shapes Brand Perception and Evaluation

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Keywords: branding, consumer morality, moral character

Description: Extant brand relationships research suggests “warmth” should be utterly important when evaluating brands. Although warmth and character are sometimes construed as interchangeable in the interpersonal domain, we show moral character and warmth traits are separable, and that brand’s moral character is more important in evaluation formation than is brand’s warmth.

EXTENDED ABSTRACT

Research Question
What sorts of trait information do people most care about when forming brand evaluations? Recent research on brand relationships (Kervyn et al. 2012) suggests “warmth” should be of prime importance in evaluation formation. Yet, some psychological research on morality (Goodwin 2015) suggests information about brands’ specifically moral traits—their moral “character”—may be a primary dimension. Although warmth and character are sometimes construed interchangeably in the interpersonal domain (Cuddy et al. 2008), we argue they are separable in the consumption domain. More importantly, we posit that across a wide variety of contexts, character is likely more important than warmth in brand evaluation formation.

Method and Data
Study 1 recruited 193 undergraduate students in exchange for course credit. Study 2 examined whether brand moral character information exerts a greater causal impact on brand evaluations than does warmth information. Participants were 384 U.S. adults recruited via Mturk. Brand’s moral character (good vs. bad) and warmth (warm vs. cold) were crossed in a 2 x 2 within-subjects design. Study 3 sought to extend findings of study 2 using a between-subjects design and employing behavioral intention measures in addition to the attitudinal one. 223 undergraduate students were recruited in exchange for course credit.

Summary of Findings
Although warmth and character are sometimes construed interchangeably in the interpersonal domain, we argue they are separable in the consumption domain. More importantly, we show that across a wide variety of contexts, character is likely more important than warmth in brand evaluation formation. Specifically, across target brands evaluations were more strongly associated with the pure moral character traits than to the pure warmth traits, and that it was the moral character traits, along with the moral character–warmth traits, that best predicted variance in evaluations. Lastly, the overall main effect of moral character was larger than the main effect of warmth. And, of critical interest, the target brand that was of good character but cold was rated significantly more positively than was the target brand that was of bad character but warm.

Key Contributions
Theoretically, we contribute to the literature in at least several ways. Our first contribution to brand relationships research (Alvarez and Fournier 2016; Fournier 1998) lies in bringing a new trait (moral character) from research on social cognition and psychology of morality into the branding domain while showing it really matters in the consumption context. To this effect, showing that the influence of brand’s moral character holds while controlling for brand’s warmth and competence that are already explored in the branding domain (Ivens et al. 2015; Kervyn et al. 2012) represents a particularly intriguing finding that can boost future research in the domain. Importantly, although warmth and character are sometimes conceived of as interchangeable in the context of interpersonal relationships (Cuddy et al. 2008), our findings suggest they are separable in the consumption domain. Finally, our results also give back to psychology of morality and social cognition literatures (Goodwin 2015; Goodwin et al. 2014) by establishing that influence of moral character extends to consumption/branding domain.

References are available on request.
Negative Spillover Effects in Corporate Brand Alliances in Crisis

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Jaywant Singh, Kingston University London

Keywords: corporate brand alliances, cobranding, brand crises, negative spillover effect, balance theory

Description: This study examines the impact of brand crises on consumer evaluations of corporate brands in alliances.

EXTENDED ABSTRACT

Research Questions
Brand alliance, or cobranding, is a strategic brand management strategy involving short-term and or long-term cooperative marketing activities between two or more individual brands. Research on brand alliances demonstrates that cobranding creates an interdependent relationship that is beneficial to the individual brands in the partnership. Although brand alliances represent a viable business opportunity for both brands, it is an inherently risky strategy. In a brand partnership, a negative event involving one brand can potentially spill over to the partner brand, as well to the cobranded product. Even though brand controversies are increasingly common and create undesirable media attention for the brands in an alliance, studies examining the risks associated with cobranding is sparse. Underpinned by Balance, Attribution, and Social Judgement theories, the present study attempts to answer the following key research questions:

• How do brand crises involving one partner brand in a corporate alliance impact consumers’ postcrisis evaluations of the three entities in the alliance—the culpable brand, the nonculpable corporate partner, and the cobranded product?
• How does attribution influence consumers’ postcrisis evaluations of corporate brand alliances?
• What is the impact of brand commitment towards the culpable partner brand on consumer perceptions of attributions in corporate brand alliances?

Method and Data
The study employed a $3 \times 3$ (crisis recovery information: low-stability, low-controllability, low-causality $\times$ time: precrisis, postcrisis, postrecovery) mixed factorial design to test the research hypotheses. For generalizability purposes, a scenario-based experiment was conducted across three brand crisis types—Accidental, Preventable and Victim. In a preventable crisis, the inappropriate actions of the corporate brand result in a breach of the law, whereas in an accidental crisis, the unintentional actions of the corporate brand create a crisis. In a victim crisis, however, the organization itself is also perceived as a victim of the crisis. Data were collected via a self-administered online questionnaire embedding three real-life crisis scenarios, representing each crisis type. Participants included a simple random sample of UK consumers recruited by an established online consumer panel representative of the UK population. Altogether 1,235 valid responses were obtained (Accidental context $n = 379$; Preventative context $n = 442$; Victim context $n = 414$). The sample consisted of 57 percent females, all aged 18+. The research hypotheses were tested employing Analysis of Covariance (ANCOVA).

Summary of Findings
The results show that brand crises in corporate brand alliances negatively impact consumers’ attitudes toward the culpable brand which, in turn, spills over to the cobranded product. Attitudes toward the nonculpable part-
ner brand, however, are not negatively affected by the crisis. Importantly, the findings show that spillover effects are contingent upon perceived attribution; that is, consumers who perceive the culpable brand as being responsible for the crisis (i.e. internal attribution) evaluate the culpable brand and the cobranding initiative more negatively than consumers who perceive the cause to be outside the brand’s control (i.e. external attribution). Moreover, the findings suggest that consumers with a higher level of commitment to the culpable brand are less likely to make internal attributions. Finally, the study demonstrates that consumers’ postcrisis attitudes toward the culpable brand and the cobranded product is enhanced if they are exposed to recovery information that attempts to diminish the culpable brand’s role in the crisis.

**Key Contributions**

The present study offers a multidomain understanding of consumer responses to corporate brand alliances in crisis. It extends knowledge in the domains of consumer behavior, brand management, organizational crisis and social psychology. *First*, it introduces a novel approach to understanding consumer motivations for processing information in brand alliances. Through the lens of Balance theory, the study shows that consumers’ perceptions of alliances are contingent upon how the evaluation of each entity fits together. *Second*, drawing upon Attribution and Social Judgement theories, the study demonstrates the role of brand crisis attribution and brand commitment in explaining consumers’ evaluations of crises in corporate brand alliances. In doing so, we add two new dimensions—-attribution and brand commitment—-to the theoretical knowledge on negative spillover effects. *Third*, we advance brand alliance research by elucidating the effect of crises in corporate brand alliances, an area currently overlooked in extant research. The study is the first to empirically examine the impact of a partner’s transgressions on consumers’ evaluations of both partner brands and importantly, the cobranded product. We establish that crises in corporate alliances are particularly damaging to the culpable brand and the cobranded product, signalling a caveat to the benefits demonstrated with brand alliances in prior research.

*References are available on request.*
Brand Deletion from the Consumer’s Perspective: Conceptualization and Scale Development

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Keywords: brand deletion, brand strategy, consumer behavior, scale development, survey research

Description: The purpose of this paper is to improve understanding of the complex processes through which consumers develop affective, cognitive, and behavioral responses to brand deletion, i.e., the discontinuation or removal of a brand from a firm’s brand portfolio.

EXTENDED ABSTRACT

Research Question
Brand deletion is a critical task in brand management that is necessary to safeguard and augment the value of the firm’s overall brand portfolio (Shah, Laverie, and Davis, 2017b). However, it also has the potential to produce consumer backlash and obstruct marketing strategies (Shah, 2017a). To avoid such troubling outcomes, it is proposed to develop a fine-grained understanding of brand deletion from the consumer’s perspective by identifying their key response processes and developing self-report measures to assess these processes. This paper lays the groundwork of conceptualization and instrument development to support this line of research.

To inform this research design, researchers drew on related literature addressing consumer reactions to negative events (Grégoire and Fisher, 2006, 2008; McColl-Kennedy et al., 2009; Weiss and Cropanzano 1996) and adopted the organizing structure presented by the tripartite model of attitude (affect, cognition, and behavior) (Ajzen and Fishbein, 1980; Breckler, 1984). Based on these resources, it is anticipated that consumers who are strongly attached and/or loyal to a brand will consider brand deletion to be a negative event and will react to brand deletion through a combination of affective, cognitive, and behavioral processes.

Method and Data
The normative process presented by Hinkin (1998) for development and validation of scales in survey instruments was applied. Literature on brand deletion, including closely related topics, such as brand love (Batra et al, 2012) and consumer brand sabotage (Kähr et al., 2016) was reviewed, and eight consumer interviews were conducted. These led to development of a pilot test inventory of 16 items representing affects, 10 representing cognitions, and 13 representing behaviors.

The pilot test item inventory was administered via an online survey to 72 graduate business students. Two factors emerged in the affect category (sadness and indifference), one factor emerged in the cognition category (comprehension), and two factors emerged in the behaviors category (replacement and punishment).

Thereafter, related literature was again reviewed to identify scales that overlap these concepts or that might augment them. This review resulted in development of a revised set of items, 17 representing affect, five representing cognition, and 12 representing behaviors. In addition, five previously-validated scales were incorporated into the new inventory. The revised item inventory was administered as an online survey to paid MTurk participants (n = 295). Exploratory Factor Analysis (EFA) was conducted, using principal components extraction based on Eigenvalues > 1, accompanied by Varimax rotation.

Summary of Findings
The EFA resulted in two factors for the affect category (sadness and indifference), one for the cognition category (com-
prehension), and three for the behaviors category (complaining, punishment, and acceptance).

The factor structure demonstrated satisfactory construct validity. Convergent validity was assessed through calculation of composite reliability, which exceeded 0.78 for all factors. Discriminant validity was assessed through calculation of average variance extracted (AVE). AVE for each factor exceeded 0.50 and was higher than intercorrelation with any other factor. Further, the EFA results show no evidence of substantive cross-loading between orthogonal factors.

**Key Contributions**
The conceptualization and scale development conducted in this paper offer several significant improvements in understanding the processes through which consumers respond to brand deletion. Organizing the research model to capture affective, cognitive, and behavioral processes based on the tripartite model of attitude (Ajzen and Fishbein, 1980), provides a more fine-grained structure to development of complex consumer responses than has been presented previously.

This research further advances understanding by incorporating several published scales as part of the revised item inventory. Combining these independently-developed items with items created in this study can shed light on overlaps among scales and help identify areas where concepts require further integration.

This paper represents a first step in development of a comprehensive model of brand deletion from the consumer’s perspective. We propose to further develop an integrated instrument for assessment of consumer responses to brand deletion which will enable brand managers and marketers to more effectively predict complex consumer responses to brand deletion and will inform their brand-related decision-making processes.

*References are available on request.*
The Effect of Artificially Limited Access to Product Features on Consumer Brand Attitude

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Keywords: brand attitude, manipulative intent, digitally locked features, anger

Description: We shed light on a novel phenomenon termed digitally locked features (DLF), which entails a physical product in which the company integrates features that consumers can digitally unlock and access after having made the purchase, by providing evidence for a negative effect of DLF on brand attitude, caused by consumers’ perception of manipulative intent and anger.

EXTENDED ABSTRACT

Research Question
In 2017, car manufacturer Tesla digitally extended the range of some vehicles to help customers escape hurricane Irma. Notably, software had limited the battery’s capacity to offer an entry model that preserved the opportunity for consumers to purchase access to full capacity at a later point of time.

While numerous firms use procedures that require unlocking even after making a purchase, Tesla’s case is particularly intriguing as the firm allows consumers to digitally unlock access to features that are physically integrated into products consumers already own—a phenomenon we term digitally locked features (DLF). We propose that DLF may provoke negative consequences. We suspect that consumers may feel that they own all features a product comprises, even when the firm legally owns and controls these features. We propose that DLF may harm consumers brand attitudes. The current research has the objective to test this intuition as well as the underlying psychological processes.

Specifically, we address the following research questions: Does DLF decrease consumers’ brand attitude? Further, which psychological processes determine this reaction?

Method and Data
Study 1 was designed to test whether DLF reduces brand attitude, applying a single factor between-subjects design (DLF vs. Control) with 150 participants recruited from a paid online panel and randomly assigned to the conditions. Participants were asked to imagine owning a car with a conventional light while a more advanced light would be available. In the DLF condition, the advanced light was physically integrated but constraint and could be unlocked. In the control group, participants had to imagine that they were at the service appointment and could acquire the light through replacement. A t-test showed that DLF significantly decreases brand attitude compared to the control condition.

Study 2 tested whether manipulative intent and anger mediated the effect of DLF on brand attitude. The setting was identical to study 1, except that we included the two process measures for perceived manipulative intent and anger. 132 participants recruited from a paid online panel were randomly assigned to the conditions. We conducted a mediation analysis, using manipulative intent as proximal and anger as distal mediator. As predicted, the indirect effect was significant, meaning that perceptions of manipulative intent and feelings of anger caused the lower brand attitude in the DLF condition.

Study 3 used a 2 (Access mode: DLF vs. Control) × 2 (Cost explanation: Yes vs. No) between-subjects design to test whether emphasizing the manufacturer’s investment attenuates the negative effect of DLF on brand attitude. A total of 296 participants participated in the experiment with an identical setting to study 1 and 2, except that participants read an
article beforehand that either explained the manufacturer’s investment (cost explanation condition), or concerned a neutral article about a nutritional grain (no-explanation condition). A two-way ANOVA revealed a significant access mode by explanation interaction on manipulative intent and anger. We applied a conditional process analysis with access mode as predictor and cost explanation as moderator. As predicted, a moderated sequential mediation analysis reveals a conditional indirect effect through manipulative intent and anger for the no-cost explanation condition. However, for the cost explanation condition, this effect becomes insignificant. The index of moderated mediation was significant.

Study 4 used a 2 (Access mode: DLF vs. Control) × 2 (Time of Disclosure: Prior vs. Post-Purchase) between-subjects design to test whether revealing information about DLF prior to the purchase of the product in which it is integrated attenuates the negative effect on brand attitude compared to when participants hear about it afterwards. 382 participants recruited from a paid online panel were randomly assigned to the experimental conditions. Participants had to imagine that they wanted to buy a new car and had almost finished the configuration. Subsequently, they would see two comparable driving assistance features that they were both interested in. However, due to budget limitations, they could only select one more feature. In the initial information reveal condition, participants were informed that they could purchase the unselected feature in the future, either by having it built-in during their car service (Access mode control) or because it would be preinstalled and could thus be unlocked (Access mode DLF). Participants in the delayed information reveal condition only received the information to select one feature. Participants selected one of the two features and were asked to write about a situation in which the feature would be useful. This filler task facilitated that participants empathized with the scenario. Subsequently, we revealed the information to all participants that they could purchase the remaining feature. Participants in both DLF conditions were told that the remaining feature had been preinstalled and could be unlocked. Participants in the control condition were informed that the remaining feature could be installed during a car service. Subsequently, participants responded to the measures for manipulative intent, anger and brand attitude. A 2 × 2 ANOVA access mode DLF (vs. control) and time of information disclosure (prior vs. postpurchase) as predictors revealed a significant interaction on manipulative intent. A moderated sequential mediation analysis reveals a conditional indirect effect through manipulative intent and anger for the delayed information reveal condition. However, for the initial information reveal condition, this effect becomes insignificant. The index of moderated mediation was significant.

**Summary of Findings**

DLF is a novel phenomenon that provides consumers with the option to easily access features and thus increases purchase flexibility. Yet, in four studies, we demonstrate that DLF results in a boomerang effect, eroding consumers’ brand evaluations. We show that this is due to consumers’ perception of manipulative intent and subsequent feelings of anger. Moreover, we show that making the manufacturer’s investment to provide DLF salient to consumers can lower perceived manipulative intent and attenuate the negative effect on brand attitude. Finally, we provide evidence that the timing of information disclosure about the digitally locked feature has a significant effect on consumers’ responses. Revealing information about the digitally locked feature prior to the purchase of the product in which it is integrated attenuates the negative effect of DLF on brand attitude.

**Key Contributions**

While prior work has investigated access modes with clear ownership boundaries (Bardhi and Eckhardt, 2012), we shed light on DLF, in which the feature is physically integrated into a product already owned by consumers, but that requires digitally unlocking of the object. We address Bardhi and Eckhardt’s (2012) call to investigate consumption modes with blurred ownership boundaries and add to the growing discussion about fragmented ownership models.

*References are available on request.*
How Cities Can Attract Highly Skilled Workers as Residents: The Impact of City Brand Benefits

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Keywords: place branding, city brand benefits, city brand attitudes, potential residents, highly skilled workers

Description: This study investigates which city brand benefits influence the city brand attitudes of highly skilled, potential residents.

EXTENDED ABSTRACT

Research Question
This study addresses two research questions:

RQ1: What are potential city brand benefits that might be relevant for highly skilled potential residents?

RQ2: What are the effects of these potential city brand benefits on highly skilled, potential residents’ city brand attitudes?

Method and Data
A literature analysis and qualitative study inform a conceptual model, which is tested with structural equation modelling using 354 evaluations of the six largest German cities by 294 highly skilled, potential residents, in terms of their perceptions of city brand benefits and attitudes. The construct measures for the city brand benefits used five-point Likert-type scales (1 = strongly agree, 5 = strongly disagree). The scale items were derived from prior literature and the qualitative study. For city brand attitudes, a five-point semantic differential scale was adopted from Yi (1990). The data were analyzed using IBM SPSS Statistics 24 and IBM SPSS AMOS 24.

Summary of Findings
Only social life and self–brand connection had significant positive effects on city brand attitudes. In contrast, cost efficiency, job chances, and recreation had no significant effects on city brand attitudes. Obviously, higher living costs are less of a concern for these highly skilled workers, likely because they tend to earn above-average incomes. Furthermore, job chances might not be as relevant for the evaluation of a city brand for this specific target group, likely because highly skilled workers have better chances of finding an attractive job. Recreation might represent a hygiene factor that does not enhance city brand attitudes, though its absence would have a negative effect. Potential residents might expect that cities offer opportunities for recreation, but past a certain threshold, more recreation opportunities do not positively affect their evaluation of the city.

Key Contributions
This study contributes to the limited literature pertaining to relevant city brand benefits for highly skilled, potential residents. It is the first study, to the best of the authors’ knowledge, to identify relevant and irrelevant city brand benefits for highly skilled, potential residents. In contrast with previous studies that suffer some methodological limitations, this study applies structural equation modelling to determine the relevance of city brand benefits for highly skilled, potential residents’ city brand attitudes. Based on the results, cities must ensure that they offer a rich social life, by investing in cultural activities (e.g., music and theatre performances, city events). In addition, cities should create an environment that attracts shopping and gastronomic businesses. Finally, this study considers self–brand...
connection as a symbolic benefit that has not been considered previously in research among potential residents. Due to the relevance of this benefit, cities should (1) segment highly skilled, potential residents; (2) select appropriate segments as relevant target groups; (3) identify the self-concept of the relevant target groups; (4) identify the main characteristics of the city; (5) identify congruent characteristics between the city and the self-concept of the relevant target groups; and (6) communicate the congruent characteristics to those relevant target groups.

References are available on request.
Oh! It’s So Costly! It Must Be Green! The Impact of Price on the Green Perception of Eco-Friendly Products

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Keywords: green perception, eco-friendly, pricing, consumer trust, correlation-based inference

Description: This research explores the influence of price-premium on the green perception of eco-friendly products.

EXTENDED ABSTRACT

Research Question
Imagine that a consumer is considering two eco-friendly backpacks. Both the backpacks claim that they are made of natural fabric and claim to be eco-friendly. How do consumers evaluate which of these products is more eco-friendly? In this research, we explore how the price of an eco-friendly product influences the evaluation of the extent to which the product is green. We propose that the price of the product itself can play a significant role in the extent to which the product is perceived as eco-friendly. Specifically, we show that higher the price of an eco-friendly product, greater would be the perception of the overall greenness of the product as compared to the lower priced eco-friendly product with similar attributes. The perception of greenness of a product can be defined as the extent to which consumer perceives the product to be friendly to the environment (Gershoff and Frels, 2015). This perception of greenness has become increasingly important as a growing number of consumers prefer products that are eco-friendly (Griskevics et al., 2010; Auger et al., 2008; Guyader, Ottoson and Wittel, 2017) and such a perception enhances the attitude towards the green product and increases purchase likelihood (Atkinson and Rosenthal, 2014).

Method and Data
The paper uses an experimental method and data was collected from the MBA students of a large B-School in Asia. We present three studies which empirically test the proposed relationship between price-premium and green perception. Study 1 tests the proposed effect of price of the product on the overall evaluations of the eco-friendliness of the product and also to explores if the price-quality schema has any influence on the green perception. This study used a two condition (Price-premium: High vs Low) between subject design to test the direct effect of price-premium. The key objective of study 2 is to test for the moderation by price-quality schema and also rule out the quality perception based alternative explanation for the observed effect on price-premium on green perception. The study used a 2(Price-premium: High vs Low) ¥ 2(Product Quality: High vs Low) mixed design. Price-premium was manipulated as a within subjects variable, and product-quality was manipulated as a between subjects variable. The purpose of this study 3 is to test for the proposed signaling effect of price-premium on green perception, mediated by consumer trust in the green claims of the product. This study used a two-condition (Price-premium: High vs Low) within-subjects design.

Summary of Findings
In this research, we focus on how the level of price-premium associated with the eco-friendly products influences the evaluation of the overall greenness of the product. We find that an eco-friendly product priced at a higher premium is perceived to be more eco-friendly as compared to another eco-friendly product priced at a lower premium. We find direct support for this hypothesis in study 1, study 2 and study 3. More importantly, we identify two mechanisms viz., correlation-based inference and signaling effect mediated by consumer trust which explain the observed effect of price-premium on green perception. In study 2, we find evidence for proposed moderation by the price-quality schema. Moderation by the price-quality schema in study 2 provides support...
for our argument that as consumers generally associate price premium with green products, they will evaluate the higher priced product to be more eco-friendly using a correlational inference process (Kardes et al., 2004a). In study 3 we find evidence for the proposed mediation by consumer trust. Such mediation by consumer trust supports our argument grounded in signaling theory that price is used as a signal in evaluating the credence claims of eco-friendly products.

**Key Contributions**

Our findings contribute to multiple areas of research. First, we contribute to green consumer behavior, particularly the evaluation of green perception of the eco-friendly products. We contribute to this stream of literature by providing insight on how the price of the eco-friendly product influences the evaluation of green perception. Specifically, we show that higher the price-premium associate with the product higher will be the perceived greenness of the eco-friendly product. Our research also contributes to price based correlational inference literature. We contribute to this stream of literature by identifying a correlation-based price-green perception inference process and open a new avenue in price based correlational inference literature. In addition, our findings contribute to consumer signaling literature in general and signaling eco-friendliness in particular. We specifically contribute to this stream of literature by identifying the role of price as a signal in evaluation the extent of the perceived greenness of eco-friendly products.

References are available on request.
Until the Last Drop: Do Consumer Care About Water When It Comes to Coffee?

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Wassili Lasarov, Kiel University

Keywords: consumer preferences, willingness to pay, sustainability, coffee, discrete choice experiment

Description: This study examines consumers’ preferences and willingness to pay (WTP) for a water-neutral label on coffee in comparison to Fair Trade and ecological labelled coffee.

EXTENDED ABSTRACT

Research Question
Our study focuses on consumer’s preferences and willingness to pay (WTP) for a water-neutral label on coffee in comparison to Fair Trade and ecological labelled coffee to answer the question: Is a water-neutral label compared to other sustainability-related labels on coffee relevant to the consumer?

Method and Data
We conducted a prestudy and a main study to answer the research question. The prestudy served to define attributes and their levels for the creation of the Discrete Choice Experiment (DCE). The main study was an online experiment with a total of 1431 respondents (76% female, Mage = 30.1). They were randomly assigned to one of four DCE. Two DCE had an orthogonal fractional design and two an optimal design. Each respondent had to face eight choice sets consisting of two hypothetical coffee products plus an opt-out alternative. After conducting the DCE a latent class model was estimated.

Summary of Findings
The results show preference heterogeneity. Five latent classes were found to be optimal. All respondents show positive utilities and positive WTP for all sustainability labels. A clear order between preferences and WTP for the labels were found. All latent classes prefer Fair Trade labelled coffee and show the lowest utilities and WTP regarding a water-neutral label. Class membership is mainly determined by consumer’s attitude towards sustainability and the use of labels in general, while sociodemographic characteristics have little impact.

Key Contributions
This study adds to the literature of sustainable consumption and product labelling as well as the decision-making behavior regarding sustainable produced coffee. It is the first study that analyses consumer’s preferences and WTP for a water label on coffee. In addition to our results, propositions are derived to stimulate future research. The findings of our study can also be used by companies to develop appropriate implementation strategies for a water label and consequently to maximize their profits. Form a policy perspective, our results indicate that consumers know little about water usage in coffee production although they are interested in sustainability and environmental related topics. For this reason, political awareness-raising campaigns seem to be appropriate.

References are available on request.

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The Role of Global Cultural Identity in Consumer Engagement with Sustainability Initiatives

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Keywords: globalization, engagement, environment, construal level, regulatory focus

Description: This research shows that cultural identity plays an important role in consumer engagement with sustainability initiatives with evidence from a textual analysis, one lab and two online experiments. We demonstrate that global identity is congruent with promotion-(vs. prevention-) focused, more distant (vs. proximal) spatial and social, and more proximal (vs. distant) temporal construal framed initiatives.

EXTENDED ABSTRACT

With increasing evolvement of globalization, the majority of multinational corporations adapt their business strategy to reflect the rising consumer concerns about negative environmental effects. The questions remain how these corporations can engage consumers with their global brands and sustainable initiatives more effectively from the perspective of cultural identity, regulatory focus, and construal level of psychological distance.

Research Question
We conducted an explorative study of global brands' sustainability statements to address the following research question: What regulatory focus and psychological distance do the global brands' use to frame their sustainability statements?

Method and Data
This paper consists of four studies (one textual analysis, two online experiments and one lab experiment), demonstrating the moderating effect of global—local identity under regulatory focus and psychological distance frame conditions.

First, we conducted textual analysis (LIWC 2015) of sustainability statements of top 100 global brands to explore which regulatory focus and psychological distance frames corporations use in their sustainability statements. Studies 2-4 seek to evaluate effectiveness of different regulatory focus and psychological distance frames and the moderating effect of consumer global-local identity. Study 2 identified moderating effect of global identity in relation to promotion focus and spatial distance construal. Study 3 further examined effects of global identity, promotion focus and social distance construal in a lab experiment with undergraduate students. Study 4, an online experiment, tested effectiveness of temporal distance construal in relation to global identity and promotion focus.

Summary of Findings
This research shows that cultural identity plays an important role in consumer engagement with sustainability initiatives. Specifically, we demonstrate that consumers with global identity are more engaged with promotion-(vs. prevention-) focused initiatives. Furthermore, the findings show that global identity and promotion focus appear to be more congruent with more distant (vs. proximal) spatial and social, and more proximal (vs. distant) temporal construal frame in the context of consumer engagement with sustainability initiatives.

Key Contributions
Our research makes several important contributions to marketing theory and practice. First, we highlight an important moderating role of consumer global-local identity in evaluating consumer responses to sustainability initiatives. Second, we contribute to consumer engagement research by

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demonstrating importance of considering various forms of consumer engagement with sustainability initiatives. Third, we demonstrate stronger consumer engagement with sustainability framed in promotion terms among globally-oriented consumers. Finally, we contribute to the construal level theory by demonstrating that globally-oriented consumers are more engaged with sustainability initiatives framed around more distant (vs. proximal) spatial and social distance, and proximal (vs. distant) temporal distance construal. Global brand managers who appear to be equivocal about using both promotion/prevention frames and spatially proximal/distant frames would benefit from tailoring their sustainability statements and initiatives more effectively to appeal to global consumer segments.

References are available on request.
The Role of Mindfulness in Driving Ethical Consumption

Tai Anh Kieu, Western Sydney University

Keywords: ethical consumption, mindfulness, self-efficacy, consumer ethics

Description: The impact of mindfulness on ethical consumption through self-efficacy for ethical consumption.

EXTENDED ABSTRACT

Research Question

Amid recent proliferation of research on consumer ethics, a substantial body of consumer ethics research focuses on consumers’ judgements of questionable situations and drivers of those beliefs (e.g. Arli and Pekerti, 2016; Lu and Lu, 2010; Vitell, 2003; Vitell et al., 2016; Vitell et al., 2007). The Ethically Minded Consumer Behavior (EMCB) scale has been recently developed to bridge the attitude—behavior gap and validated in developed market contexts (Sudbury-Riley and Kohlbacher, 2016). Thus, the validation of this ethical consumption scale in developing market settings is warranted, especially in Asia. On the other hand, for consumers to be ethically minded requires some degree of attention and awareness (Carrington et al., 2010). Therefore, the impact of an individual’s mindfulness as a mechanism is a possibility. In a more complex and chaotic world, mindfulness can influence and orient one’s thinking toward positive end (Beard, 2014). What is puzzling is that how ethical choice once makes an inroad then turns to be ethical habit. The current theorizing implies that an individual’s general ability to control over their thoughts, feelings and behaviors underpins habits and that deliberate consumer choice requires specific regulatory resource (Wood and Neal, 2009). Therefore, specific self-efficacy (self-efficacy for ethical consumption in this research) is a potential intervening mechanism between mindfulness and ethical consumption behavior. The research seeks to address the research question: how does mindfulness influence ethically minded consumer behavior?

Method and Data

A survey was conducted with Vietnamese consumers. The survey was distributed through popular web distribution channels (i.e. Facebook and LinkedIn) and invited emails using database offered by a recruitment agency. There were totally 316 returned responses. Upon checking for data issues such as missing values, 309 responses were usable for data analysis. Of the usable responses, 50.8% are male and 47.6% female. Most respondents are in 20—40 age groups, hold undergraduate degree (56.0%) or postgraduate degree (40.1%). The usable sample also includes a wide range of income and occupation. The research instrument includes construct scales adopted from literature: EMCB (Sudbury-Riley and Kohlbacher, 2016) and mindfulness (Feldman et al., 2007). Mindfulness was estimated as a second-order factor consisting of four first-order factor, following and using Feldman et al. (2007)’s 10-item version. The scale of SEEC was adapted from Schutte and Bhullar (2017) and Lin and Hsu (2015), following the guideline of Bandura (2006). The research model was tested using partial least squares (PLS) approach to structural equation modelling and its bootstrap function (k = 500). The model was estimated using SmartPLS 3.0 and bootstrap technique (k = 500) (Ringle et al., 2015).

Summary of Findings

Initial SmartPLS output shows most outer loadings of construct items are above 0.60, one nearly 0.60 and just one under desirable value of 0.50 (Hair et al., 2010; Hulland, 1999). Upon checking composite reliability (CR) and average variance extracted (AVE) values in initial PLS output and content of items, one item of mindfulness was deleted. Final PLS output shows satisfactory reliability and validity of the measurement scales, meeting required criteria of Hair et al. (2010) and Fornell and Larcker (1981): CR values range between 0.80 and 0.94 and AVE values between 0.52 and 0.88, greater than the required threshold for CR and AVE greater than 0.60 and 0.50, respectively; square roots of

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the AVE of the main constructs are well above the corresponding bootstrapped correlations between these constructs. This study also employed the Heterotrait–Monotrait (HTMT) test, which is more stringent than that of Fornell and Larcker (1981), to evaluate discriminant validity (Henseler et al., 2016; Henseler et al., 2015). The HTMT values, which were computed based on the bootstrapping routine, ranged between 0.09 and 0.83. These values were significantly below 1.00, thereby discriminant validity was assumed to exist (Henseler et al., 2016). Harman’s test also indicated that common method bias did not pose a serious problem in this analysis. Hypothesis testing (see Table 1) reveals that, for H1a,b,c,d,e, only the link between Mindfulness and ECOBOYCOTT is statistically significant ($\beta_{ECOBOYCOTT,MIND} = 0.13, p = 0.03$). Hypotheses H2a,b,c,d,e and H3 were supported (all $p$ values <0.05). The results show that SEEC significantly explains all types of EMCB ($\beta_{ECOBUY,SE} = 0.40; \beta_{ECOBOYCOTT,SE} = 0.37; \beta_{RECYCLE,SE} = 0.33; \beta_{CSRBOYCOTT,SE} = 0.31; \beta_{PAYMORE,SE} = 0.50; \beta_{SE,MIND} = 0.29; p < 0.05$). Mindfulness is also found to significantly influence SEEC ($\beta_{SE,MIND} = 0.29; p < 0.05$). Sobel test was employed and indirect effects in SmartPLS output was examined to test mediating role of SEEC. The findings indicate clearly SEEC mediates the effects of mindfulness on EMCB dimensions.

Key Contributions
The current study contributes to a greater understanding on the role of mindfulness and specific self-efficacy for ethical consumption on ethically minded consumer behavior. Particularly, EMCB can be explained by mindfulness through SEEC. While mindfulness has a direct, positive effect on ECO-BOYCOTT only, this does not discount the role of mindfulness in influence other ethically minded consumer behaviors such as ECO-BUY, RECYCLE, CSR-BOYCOTT and PAY-MORE. The findings suggest self-efficacy for ethical consumption is an intervening mechanism in the relationship between mindfulness and ethically minded consumer behaviors. This is significant, just as while some researchers have examined the direct role of mindfulness of proenvironmental behaviors (Barbaro and Pickett, 2016), no published research has attempted to examine the mechanism in which mindfulness turns consumers’ nonroutine ethical responses into habitual ethical consumption behavior. For the attitude-behavior gap to be addressed, an attempt by Sudbury-Riley and Kohlbacher (2016) to develop a scale measuring consumer ethics in terms of behavior may be a necessary step but not sufficient, because those researchers have not identified and included antecedents of EMCB in a nomological net for testing. On the other hand, as ethical consumption trend goes to mainstream, just focusing on the active cognition may only target fringe consumers, thus concepts such as ethical values may have veracity (Davies and Gutsche, 2016). As such, this research set out to a novel direction much different to earlier research on consumer ethics by considering a progression from mindfulness to ethics-specific self-efficacy for the consumer to absorb ethical consumption into the stock of habituated behavior in their memory. Furthermore, this research is one of the first studies to use the EMCB scale and examine the psychological processes underlying ethical consumption, and thereby provide evidence for the validation and testing of the scale’s nomological validity. From a practical perspective, through this study, policy makers, academics and marketers can benefit through insights on what explains the formation of ethical consumer behavior. Whereas an individual’s ethical values or religiosity may be inherent in specific socio-cultural contexts (Vitell, 2003), policy makers and marketers can provide training for consumers to consume ethically.

References and tables are available on request.
Digitalization as Solution of Environmental Problems? When Do Sustainability Conscious Users Rely on Augmented Reality-Recommendations Agents

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Keywords: recommendation agent, augmented reality, sustainability, point of sale, user information

EXTENDED ABSTRACT

Research Question
If and under which boundary conditions can augmented reality-based recommendation agents (AR-RA) guide users in brick-and-mortar stores to make sustainable shopping decisions.

Method and Data
We suggest a user model, which proposes that whether or not users apply AR-RA to achieve their purchase goals (e.g. choosing sustainable food options) is depending on their sustainable shopping experience, their digital device experience, and the belief that technology may be a solution to live sustainable. We test the user-model with a pretest, an online questionnaire with N = 265. The main study is a laboratory experiment, in which consumers “purchase” products, which show different sustainable ratings in an AR-RA. The N = 122 consumers where observed during their decision.

Summary of Findings
A pretest supports our user model. The main study confirms that users who apply the AR-RA actually choose more sustainable options. The study further confirms the proposed three-way-interaction of digital device experience, sustainable shopping experience and the technology-as-solution-belief: Users are particularly prone to rely on the AR-RA only if they have a high level of digital device experience, if they display a high sustainable shopping experience and if they generally believe that technology is a solution (rather than the cause) of environmental issues. Implications for practice and further research are derived.

Key Contributions
We show a method of reducing the complexity of consumers when searching for and purchasing sustainable products.

References are available on request.
Does Transparent Price Labeling Boost Label Effectivity for Sustainable Products?

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Keywords: sustainability labels, price mark-ups, willingness to buy, price labelling scheme, sustainable consumption

Description: This research examines, whether more detailed information can increase the consumers’ willingness to buy sustainable products and particularly if a transparent price labelling scheme complements the conventional sustainability information labelling approach to realize a stronger increase in the willingness to buy.

EXTENDED ABSTRACT

Research Question
Product labelling is considered a useful approach to overcome the information asymmetry between suppliers and consumers and to foster sustainable consumption behaviour. However, consumers often distrust products promoted as being sustainable, because they lack information about whether or not price mark-ups are warrantable. To overcome this additional obstacle of information asymmetry, the present paper analyzes the effectiveness of a novel product labelling approach on consumers’ willingness to buy, which is specific on both, the sustainability characteristics and the price mark-up charged for such properties.

Method and Data
We conducted a pretest to identify important sustainability characteristics influencing consumers’ purchase decision in the field of the clothing industry using a simple, white T-shirt as test object. The pretest also specifies price ranges of consumers’ willingness to pay for a sustainable T-shirt. In the main study, we used a 2 (information) × 2 (price labelling scheme) × 2 (price level) between subjects’ design. We ran an online-experiment 362 respondents (52.7 % male, M_age = 31.1). ANOVA was conducted to disentangle the effects that the adopted price labelling scheme, the sustainability information and their interaction exert on the consumers’ WTB.

Summary of Findings
This study introduced an innovative approach of labelling sustainable products, which includes the specific sustainability characteristics and a separate and explicit outline of the price mark-up for the sustainable option compared to the mainstream product. The experimental study confirms that providing detailed sustainability information increases the consumers’ WTB unconditionally. Using a transparent price labelling scheme additionally raises the effect of sustainability information if general willingness to pay for the product exceeds the base price of the mainstream counterpart and if only moderate levels of price mark-ups are used. The conceptual model confirmed in this study outlines a series of moderating conditions, which managers should consider when deciding on the price and communication politics of their sustainable products. Hence, choosing the most effective way to promote sustainable products is no simple yes or no answer, but rather a contingency approach. Based on this approach, the paper guides marketers in their endeavour to improve the sustainability labelling.

Key Contributions
Firstly, we complement the literature on sustainability labelling, which so far focused on sustainability information by showing that transparent price information is a reasonable way to improve the product label efficacy.

Secondly, we contribute to the literature on label effectiveness. It has already been proven that the price premium consumers are willing to pay depends on context factors (sustainability dimensions, the consumers’ national culture, etc). We showed that the level of the price mark-up has not only a direct effect...
on the consumers’ WTB. It also works as a context factor, determining which extent of sustainability information and which type of the price labelling scheme are most effective. Thirdly, we demonstrated that general willingness to pay also works as a context factor that qualifies the effectiveness of sustainability information and price labelling schemes.

Fourthly, we extend the literature on price partitioning. We considered different levels of the price mark-up, keeping basic price constant. Here, a higher price level does not mask the higher mark-up, instead it highlights the mark-up. Therefore, in our study, the conventional price labelling scheme led to a higher willingness-to-buy in the high price level condition, while the price partitioning was more effective for low price levels.

References are available on request.
Bringing “Pins” and “Likes” to the Store: The Influence of Cueing Social Media Popularity at the Point of Sale

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Keywords: social media, retailing, social influence, signaling

Description: Our research sheds light on how social media cues that are used in-store to signal product popularity on social media networks influence consumer choice behavior at the point of sale.

EXTENDED ABSTRACT

Research Question
The rise of new digital channels such as social media networks has blurred the lines between physical and online retailing. Accordingly, retailers are challenged to create seamless customer experiences (Brynjolfsson, Hu, and Rahman 2013). In 2013, Nordstrom, an American department store chain, seamlessly connected social media content and in-store design. The retailer integrated information about product popularity on the social network Pinterest to the in-store experience by using specific social media cues highlighting the “most pinned” products. Although research on signaling theory has already investigated the influence of signs such as price or brand name on the consumer’s choice process (Akdeniz, Calantone, and Voorhees 2014; Spence 1973), the knowledge regarding the influence of social media cues is limited. Similarly, research regarding social influence theory (Gilovich et al. 2016) has focused on how people affect one another, but has not yet addressed the social influence that might be exhibited by social media cues at the point of sale. Hence, against the background of signaling theory and social influence theory, we investigate the influence of social media cues at the point of sale on consumers’ choice behavior. We thereby specifically focus on product choice, choice difficulty, and choice confidence.

Method and Data
In the first experiment, we examined the influence of social media cues signaling a product’s popularity on consumers’ choice. 146 participants ($M_{age} = 25.5; 64.4\%$ female) were randomly assigned to either the control (no social media cue) or treatment group (social media cue). In the scenario experiment, participants chose between two chocolates in a supermarket setting. One of the chocolates either contained a social media cue or not. Product choice and choice difficulty were measured. Based on the results of the first study, we conducted a second experiment using a 2 (social media fit: low vs. high) $\times$ 2 (preference fit: low vs. high) experimental design. 265 participants ($M_{age} = 25.7; 74.7\%$ female) were randomly assigned to one experimental condition. Participants first ranked their preferences for different chocolates and their connectedness to different social networks. Subsequently, they again chose between different chocolates in a supermarket setting. In the high (low) preference fit condition, participants were presented with a social media cue on the chocolate they preferred most (least). In the high (low) social media fit condition, participants were presented with a cue of the social media platform they felt most (least) connected to. Choice difficulty and choice confidence were measured.

Summary of Findings
The results of the first experiment indicate that decision difficulty was significantly lower in the treatment group compared to the control group, $t(144) = 2.05, p < .05$, supposing that the social media cue served as a signal making the choice easier. Further, the social media cue significantly influenced consumers’ choice, $\chi^2 (1, N = 146) = 2.89, p < .05$. 75% of participants in the treatment, but only 62% of participants in the control group chose the chocolate containing the social media cue. Interestingly, the results of the
second experiment demonstrate that participants’ confidence was significantly higher when social media fit was low than when it was high, $F(1,261) = 3.881, p = .05$. This unexpected finding might be explained by the influence of the participants’ own evaluations in that participants’ tendency to adhere to their own preferences might be stronger than the social influence of the social media cue (Deutsch and Gerard 1955). In a similar vein, there was neither a significant direct effect of social media fit nor a significant interaction effect of social media fit and preference fit on choice difficulty supposing that consumers might view social media cues rather as signals than social influence (Festinger 1954).

**Key Contributions**

Above all, our research is among the first to substantiate a social media cue attached to a product as popularity signal. We indicate that information on product popularity generated in an online social media setting can influence offline consumer behavior. Our research also contributes to the discussion regarding the future of physical retailing. We offer important implications on how retailers can bridge the gap between offline and online channels. Retailers can use social media cues to stimulate product trial as consumers use social media popularity as a signal at the point of sale. Yet, retailers need to pay close attention to the type of social media cue they apply in-store since the inclusion of social media cues might cause consumers to experience lower levels of confidence depending on how closely connected they feel to the respective social media network. While our research provides initial support for the important role of social media cues at the point of sale, a better understanding regarding the influence of social media cues on consumer choice behavior is needed. Along these lines, our research opens up interesting areas for future research such as comparing the influence of quantitative and qualitative social media cues in-store.

*References are available on request.*
Ad Transparency in Influencer Marketing: A Curse or a Blessing?

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Keywords: influencer marketing, advertising, marketing communication

Description: Against the new guidelines of the Federal Trade Commission to disclose relationships in online media endorsements, this study examines how this new transparency affects consumers’ perceptions of branded posts of micro versus mega influencers, especially with regard to the post’s trustworthiness, consumers’ attitude toward the promoted brand, and their purchase intention.

EXTENDED ABSTRACT

Research Question
Influencer marketing has become more important in marketing communication as an effective way to reach the appropriate target group. With influencer marketing, many companies make use of famous people and locals to promote their products on the Internet. Using their own channels, influencers often give the impression that they have a personal rather than a professional relationship with the products or services they promote. Therefore, when influencers make branded posts, consumers experience difficulties in making accurate distinctions whether the influencer makes a personal recommendation or a promotion. However, such a distinction is crucial because recommendations by consumers are perceived as a trustworthy source of information and valued stronger than company communication. To protect consumers, in 2017, the Federal Trade Commission released guidelines for influencers to disclose relationships in online media endorsements more clearly. Furthermore, even though companies are spending a large amount of money to promote their products through famous mega influencers, there is still uncertainty whether mega influencers or micro influencers are more effective. Against this background, we are interested in the following question: How does the material relationship disclosure in branded posts of micro versus mega influencers affect consumers’ brand responses and why?

Method and Data
The first study was conducted among 179 consumers (63% female) with a 2 (influencer type: micro vs. mega) × 2 (material relationship: disclosure vs. nondisclosure) between-subject design. In study 2, the effects of study 1 on consumers were analyzed more closely (i.e., on their persuasion knowledge and brand attitude). 197 consumers (52% female) participated in an online experiment with a 2 (influencer type: micro vs. mega) × 2 (prominence of the ad disclosure: more vs. less prominent) between-subject design.

In both studies, we showed participants an Instagram post as a stimulus. Thereby, we also introduced the micro versus mega influencer manipulation. In these Instagram posts, we also manipulated whether the ad was disclosed (study 1) and the prominence of the ad disclosure (study 2). Subsequently, we measured the relevant constructs with established scales using 7-point Likert scales ranging from 1 = “completely disagree” to 7 = “completely agree.”

Summary and Finding
Study 1 shows that branded posts of micro influencers led to significantly higher brand attitude, purchase intention, and ad effectiveness than posts of mega influencers. This effect is mediated by the post’s trustworthiness. Thus, posts by mega influencers were perceived as less trustworthy,
decreasing the postulated outcomes. Ad disclosure acts as moderator, indicating that branded posts of micro influencers were only perceived as more trustworthy when the ad was not disclosed. Using persuasion knowledge as a possible explanation, we found that posts by mega influencers activated consumers’ persuasion knowledge more strongly, which lowered the post’s trustworthiness when the ad was not disclosed, decreasing the postulated outcomes. When the ad was disclosed, there was no significant indirect effect of influencer type on consumers’ brand perceptions.

In Study 2, branded posts by mega influencers increased consumers’ persuasion knowledge more strongly than those of micro influencers. Furthermore, the interaction of influencer type with ad prominence did not affect consumers’ persuasion knowledge suggesting that posts of mega vs. micro influencers activated consumers’ persuasion knowledge more strongly, independent of the prominence of ad disclosure. Branded posts of mega vs. micro influencers increased consumers’ persuasion knowledge, which in turn decreased their brand attitude.

**Key Contributions**

Taking a contingency perspective, we can show that the trustworthiness of branded posts depends on the (micro vs. mega) influencer’s disclosure of a material connection with the brand and that this effect can be explained by consumers’ persuasion knowledge. This is highly important as the disclosure of a material relationship has only been regulated in the beginning of 2017 and, to the best of our knowledge, its impact on the effectiveness of influencer marketing has not yet been studied. Our findings also contribute to the literature on trustworthiness in the context of online recommendations as we identified influencer type and persuasion knowledge as important drivers.

Our study also has important implications for managers. Our findings revealed that the newly regulated ad disclosure can increase the trustworthiness of branded posts and consumers’ brand attitude. In other words, more transparency can increase the effectiveness of influencer marketing. In turn, when the ad is disclosed micro and mega influencers are equally effective. As paid promotions with mega influencers are in general much more expensive, managers could consider communicating over several specific micro influencers instead of one or a few broad mega influencers, thereby also reducing coverage loss.

*References are available on request.*
Social Media Marketing and Willingness to Pay Premium Prices: A Multiple Mediation Model

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Keywords: social media marketing, social media engagement, brand addiction, brand usage intention, premium price, luxury fashion, multiple mediation

Description: In this paper, the authors test a multiple mediation model of parallel antecedents of brands’ social media marketing efforts (SM) and consumption pleasure (CP) from buying favorite brands, consumer brand addiction (BA) as a mediator, consumer engagement with the brand’s social media (CE) and brand usage intention (BUI) as two other parallel mediators, and their effects on willingness to pay premium prices (WP).

EXTENDED ABSTRACT

Research Question
Luxury brands have been adopting and applying social media marketing as a promising promotional strategy for brand and reputation building (Kim and Ko, 2012). A luxury brand provides pleasure as a central benefit and connects with consumers on an emotional level. Consumers’ pleasurable consumption experiences such as fun, fantasy, refinement, and entertainment are an essential explanatory factor for the consumption or possession of luxury brands (De Barnier et al, 2006; Holbrook and Hirschman, 1982). With the ubiquity of social media marketing that has changed the way consumers interact with brands (Lamberton and Stephen, 2016), how is social media marketing influencing consumers’ close relationship with a luxury brand and willingness to pay premium prices?

Method and Data
An online survey based on Qualtrics panel resulted in a sample of 582 responses from consumers in the U.S. Respondents’ ages ranged from 20 to 60 years (27.7% between 18 and 30, 33.5% between 31 and 40, 22.3% between 41 and 50, and 16.5% between 51 and 60). Similar to Ki et al.’s (2017) work, participants in our study were restricted to consumers who had purchased a luxury fashion item (chosen from the provided list) over the past two years. A total of 36 brands were selected from the list, with Ralph Lauren selected by 27.8% of the participants, Gucci 9.3%, Burberry 8.8%, Christian Dior 5.5%, Giorgio Armani 4.8%, Louis Vuitton 4.3%, and Hugo Boss 3.6%, among other brands. The hypotheses were empirically tested by multiple mediation analysis using structural equation modelling with Mplus 8.1 (Muthén and Muthén, 1998-2017).

Summary of Findings
The findings of this study revealed that brand addiction partially mediates the impact of social media marketing on consumer engagement with the brand’s social media and the impact of consumer pleasure on brand usage intention. Brand addiction partially mediates the impact of social media marketing efforts (SM) on consumer engagement with the brand’s social media (CE) (indirect effect 0.302) more than the impact of consumer pleasure (CP) on brand usage intention (BUI) (indirect effect 0.043). In addition, both consumers’ engagement with the brand’s social media and brand usage intention have a total mediation effect on brand addiction’s positive impact on willingness to pay premium prices, while the latter’s mediation effect is stronger (indirect effect 0.256) than the former (indirect effect 0.148).

Key Contributions
This study contributes to advancing our understanding of the nuances of luxury brands’ social media marketing effects on consumers’ willingness to pay premium prices through the influence of close consumer-brand relationships. This has

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important implications for superior brand outcomes in terms of sales growth and increased profitability and targeting the segment of consumers that can benefit more from luxury brands’ social engagement efforts. This research extends the concept of brand addiction to social media context, therefore contributing to the social media marketing and the consumer brand relationship literature. Since effectiveness of social media marketing strategies is dependent on how varieties of hedonistic versus functional appeals work with different consumer segments (Schulze, Schöler and Skiera, 2014), our findings motivate further research to explore what social media contents luxury fashion brands can design for brand addicts versus nonbrand-addicts. This study shows that the relationship between brand addiction and willingness to pay the premium price is stronger when it is mediated by brand usage intention instead of consumer engagement with the brand’s social media. Therefore, luxury fashion brands should develop a wise strategy on how to increase consumers’ usage intention of their brands to increase consumers’ willingness to pay premium prices.

References are available on request.
The Effect of Photo Sharing via SNS on Consumer Engagement and Enjoyment

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Keywords: social media, photo-taking involvement, photo sharing, consumer enjoyment

Description: While previous studies have found that taking photos during travel for the purpose of sharing with others via SNS (social networking sites) decreases engagement in and enjoyment of the travel experience, this research identifies three moderating factors to describe both negative and positive relationships between the photo-taking task and consumer engagement and enjoyment.

EXTENDED ABSTRACT

Research Question
Previous studies have found that taking photos during travel for the purpose of sharing with others via SNS (social networking sites) induces self-presentational concerns, which, in turn, decreases engagement in and enjoyment of the travel experience. However, these studies have tended to use narrow definitions of consumer engagement and enjoyment and, therefore, have failed to consider the heterogeneity among consumers in terms of the level of photo-taking involvement. While some consumers are reluctant photographers and regard taking photos as bothersome, others are more involved in photo taking even more than in sightseeing, and find it difficult to enjoy the experience without taking photos. Thus, this research explores the possibility that taking photos increases consumer engagement and enjoyment.

Method and Data
To describe both negative and positive relationships between the photo-taking task and consumer engagement and enjoyment, we model three factors moderating the relationships. Participants are exposed to a three-minute travel video and are asked to answer questions designed to measure their engagement and enjoyment levels. Two-way analysis of variance (ANOVA) and simple effect tests are conducted to analyze the dataset.

Summary and Findings
This research models moderating factors of the relationships between photo-taking task and consumer engagement and enjoyment to identify the conditions under which the photo-taking task reduces/enhances consumer engagement and enjoyment. The results of this research provide important implication to guide the management of photo-taking behavior to enhance the consumer experience.

Key Contributions
Our empirical studies showed that the photo-taking task decreased consumer engagement and enjoyment only if the consumer regards photo taking as bothersome. The photo-taking task increased consumer engagement and enjoyment if the consumer is highly involved in photo taking to a greater degree than being involved in sightseeing. Additionally, consumers who are highly involved in photo taking are less likely to engage in and enjoy the experience if it was for photo-sharing task than if they were taking photos only for self-viewing. Moreover, the effect of the photo-taking task on consumer engagement and enjoyment was higher if they were sharing the photos via SNS with close friends than if they were sharing them with acquaintances.

References are available on request.

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Fear of Missing Out: Scale Development

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Keywords: fear of missing out, scale development, experiential consumption, social media, validity

Description: The current study intends to develop a reliable, valid, and context-free scale of Fear of Missing Out (FoMO).

EXTENDED ABSTRACT

Research Question
Fear of missing out is a relatively new concept in academic research. Early investigations examined FoMO in the context of social media behaviors. Accordingly, current scales were limited to the context of social media. To investigate FoMO in other consumption contexts, a reliable, valid, and context-free scale of FoMO is lacking.

Specifically, we intend to answer the following research questions:
1. How to develop a reliable and valid context-free scale of FoMO?
2. What steps should be included to develop and validate scale of FoMO?

Method and Data
The scale development included the following studies: Study 1 was item generation and purification of items based on EFA and CFA. The result was a 9-item scale including a personal and social dimension. Study 2 assessed the convergent and discriminant validity of the scale. Study 3 supported the nomological validity of the scale by showing a positive relationship between FoMO and materialism. The three studies included 1,303 responses.

Summary of Findings
A total of three studies supported the validity and reliability of the new FoMO scale. The scale is composed of 9 items from two dimensions (5 items for personal dimension and 4 items for social dimension). The two dimensions are supported with a strong theoretical foundation describing the underlying mechanism of two dimensions, as well as the new definition of FoMO.

Key Contributions
This article introduces a new scale for Fear of Missing Out. The study describes the rigorous theoretical development and refinement of the scale. The new scale has the potential to help marketing academics to investigate the role of FoMO in diverse marketing and consumption contexts beyond social media. For example, this is the first investigation to examine the relationship between FoMO and consumers’ desire for new brand experiences.

References are available on request.

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Computer Screen or Real Life? Comparing the Allocation of Visual Attention in Remote and Mobile Settings

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Keywords: eye-tracking, information processing, external validity, consumer behavior, package design

Description: The article addresses the issue of external validity in consumer research, and based on the comparison of visual attention to marketing stimuli presented as screen images versus in their physical form, the study demonstrates that the stimulus presentation method, or more broadly, the contextual cues have a significant impact on consumer information processing.

EXTENDED ABSTRACT

Research Question
Eye-tracking research has provided valuable insights in various areas of visual marketing, but majority of these studies have been conducted in controlled lab environments with a screen-display of stimuli. To our knowledge no eye-tracking studies have investigated the differences between how people view marketing stimuli in real life versus as screen images, indicating that there is ambiguity related to the degree to which the findings from screen-based studies can be generalized to the viewing behavior in three-dimensional world.

To better understand the impact of the study setting on viewing behavior, our objective was to test and reveal systematic differences in terms of how participants view the same visual stimuli in screen-based and real-life viewing conditions.

Method and Data
The article is based on two studies that both employ mobile and stationary eyetracking and compare the allocation of visual attention in screen-based versus real-life viewing condition. In both studies we employed the free-viewing paradigm, as our main interest was to investigate unconstrained gaze guidance without an explicitly defined goal or task.

The first study is based on within-subject design, using a product display and advertising banners as the stimuli. The second study is based on a between-subject design, keeping all visual characteristics other than the display method constant. The stimuli include various packages of fast moving consumer goods.

Summary of Findings
The findings suggest that there are important differences related to how consumers view stimuli in real life versus on computer screen. Study 1 finds that when product displays are compressed and presented as screen images, there is central fixation bias and viewers’ fixation locations are more evenly spread out. In real life viewing condition the fixations are more concentrated in the upper visual field above the center.

Study 2 finds that even when stimulus dimensions, the viewer’s distance and visual characteristics of the scene are kept constant, viewers in screen-based viewing condition engage in more rapid screening of the scene and allocating
more attention to textual elements of product packages. In real-life viewing condition the viewers allocate more attention to package elements with pictorial content.

**Key Contributions**
The article contributes to the discourse on external validity of findings derived from artificial study setups. The findings underline the importance of considering contextual cues, and more specifically, the stimulus presentation method as a factor influencing consumer information processing. As patterns of information processing are likely to have downstream effects on memory, consideration and choice behavior, it is important that researchers and practitioners acknowledge the impact that the study setup may have.

From the perspective of ecological validity, the findings indicate that if a study setup bears little resemblance to the conditions in which the consumers naturally encounter the marketing stimuli, the results may be of little utility. Therefore, as an important managerial implication, the article highlights the importance of considering ecological validity when conducting or interpreting findings from marketing studies.

Hopefully the findings presented in this paper also serve as an encouragement for researchers to address the challenges of conducting studies with real life stimuli and in complex naturalistic settings. The quest for the optimal balance between ecological and internal validity requires not only an increased focus on methodological considerations, but also more studies investigating the influence of the study setting and contextual cues on consumers’ responses.

*References are available on request.*
A Motivation Account of Cocreation Effect: The Role of Regulatory Fit on Consumer Willingness to Pay for Cocreation Activities

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Keywords: cocreation, regulatory focus, process and outcome

Description: In a cocreation activity, promotion-focused consumers match with a process shopping orientation and prevention-focused consumers match with an outcome shopping orientation to enhance consumers’ willingness to pay.

EXTENDED ABSTRACT

Research Question
Research generally shows that cocreation leads to positive bias toward outcome evaluation (e.g., Troye and Supphellen 2012). However, literature also revealed nonsignificant or even negative effect (e.g., Dong et al. 2017). In this research, we apply a motivational perspective (regulatory focus) and investigate conditions under which cocreation yields a positive or negative effects in the form of customer willingness to pay.

Method and Data
We conducted five experiments manipulating regulatory focus with shopping orientation or with cocreation characteristics. Undergraduate students were recruited for the studies. In each study, participants were asked to engage in a cocreation activity. An array of cocreation tasks were used including Lego assembly, crafts, and baking. After each activity, participants were asked how much they were willing to pay if it were a commercial activity (making the product and bring it home). We also measured participants’ perceived attractiveness of the product they created and their enjoyment of the cocreation process as mediators.

Summary of Findings
First, studies 1A and 1B manipulated regulatory fit and shopping goals (process vs. outcome) and demonstrated a robust regulatory fit effect. Consumers were more willing to pay for the cocreation activity when motivation and shopping orientation created a fit (promotion focus with the shopping process and prevention focus with the shopping outcome). We examined the underlying mechanisms and showed that the effects were indeed driven by process experience for the promotion-focused customers and product attractiveness for the prevention-focused customers. Second, studies 2 and 3 further confirmed this mechanism by manipulating different process characteristics and showing that consumers with different motivations were affected in opposite ways. More challenging (study 2) and complex (study 3) processes increase WTP for promotion-oriented customers but decrease WTP for prevention-oriented customers. This is because for promotion-focused customers, the more challenging and complex processes enhance process experiences while for prevention-focused customers, they become inconveniences and reduce outcome attractiveness. Finally, study 4 further tested the mechanism by manipulating outcome characteristics. Although an incomplete outcome is damaging, the damage is less severe for promotion-oriented customers, who are more focused on process experience than prevention-oriented customers.

Key Contributions
Overall, the results are consistent and the effects are robust. We contribute to cocreation literature by providing a moti-
vation-based framework which helps to reconcile the inconsistent empirical findings in the literature and offers a clearer understanding of cocreation and its effects. We also provide valuable managerial implications in terms of how to design cocreation activities targeting different consumer markets.

References are available on request.
A Double-Edged Sword? The Impact of Celebrity Endorsements on Attention and Attitude Toward the Ad

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Keywords: celebrity endorsers, attention, attitude, eye-tracking, vampire effect

Description: In two experiments under realistic viewing conditions, we address whether celebrity endorsers increase attention likelihood and attention duration of consumers with different media consumption motives and whether celebrities increase attitude toward the ad when controlling for physical attractiveness of the endorser.

EXTENDED ABSTRACT

Research Question
Advertising typically does not only compete with the advertisements of other brands but also with the media content. However, this competition for attention has been ignored in most studies on celebrity endorsements, which usually take place under forced exposure conditions (Bergkvist and Zhou 2016). External validity suffers from these limitations (Morales, Amir, and Lee 2017). The objective of this paper is to investigate how celebrity endorsers affect advertising processing when recipients are able to unrestrictedly draw their attention to the ads and to the content of an online magazine. The present research poses two questions: First, do celebrities increase attention to the ad and is this to the benefit of the advertised brand when the ads are in competition with the content of a magazine? Second, do celebrity endorsers exert a positive effect on $A_{Ad}$ under realistic viewing conditions?

Method and Data
We conducted two experiments. Study 1 used eye-tracking to investigate the effects of celebrity endorsers on attention to real ads in a 2 (celebrity status: celebrity vs. noncelebrity endorser) × 2 (media consumption motives: experiential browsing vs. goal directed searching for information) experiment with endorser type as within-subjects factor and media consumption motives as between-subjects factor. The experiment employed a real online magazine with 48 pages containing 29 pages of editorial content twelve stimulus ads and seven filler ads. In study 2, we analyzed the impact of celebrity endorsers and their physical attractiveness on $A_{Ad}$. Again, we used a real online magazine with 30 Pages containing 16 stimulus ads advertising fictitious brands and five filler ads. To ensure consistency in the design of the ads, noncelebrity ads were created by replacing only the celebrity endorser’s face by an unknown but aesthetically very similar face.

Key Contributions
The present research contributes to marketing research in three ways. First, as a notable methodological contribution, our studies employ realistic conditions of advertisement perception and processing. Whereas most studies on celebrity endorsers take place in a forced exposure setting with fixed time frames for stimulus exposure (Bergkvist and Zhou 2017), we analyze advertising perception in a natural, externally valid setting with consumers reading an online magazine, in which stimulus ads compete for attention with editorial articles and other ads.

Second, we provide insights into the effects of celebrity endorsers on attention to the ad, which is widely neglected in advertising research (Rossiter and Percy 2017). Consumption motives of experiential “browsing” behavior and goal directed ‘searching’ behavior (Gall and Hannafin 1994;
Hoffman and Novak 1996) proved to significantly moderate the effect of celebrities on attention to the ad. Our study reveals that celebrities are not more likely to draw readers’ attention to an ad than noncelebrities. Furthermore, we observed for browsers that celebrities increase the time people spend watching an ad. However, this additional viewing duration is almost fully consumed by the celebrity whereas the brand and the product do not benefit. Thus, we found a ‘relative vampire effect’ among experiential browsers, such that the endorser-to-brand/product-ratio of attention duration increases.

Third, we investigate celebrity effects on $A_{Ad}$. The study revealed that positive effects of celebrity endorsements on $A_{Ad}$ turned insignificant when controlling for endorsers’ physical attractiveness. This questions the ability of celebrity endorsers to create favorable attitudes beyond the effect of their physical attractiveness. Based on these findings, our research casts further doubts on the effectiveness of celebrity endorsements in advertising.

The present studies provide valuable insights for advertising practitioners and marketing managers aiming to employ celebrity endorsers in their campaigns. Practitioners must be aware of the possible downsides of celebrity advertising. Pivotal objectives of the advertising like higher attention and improved attitudes may not be met and increased advertising expenses for employing celebrities may not pay off as expected.

**Summary of Findings**

The eye-tracking results of study 1 revealed that celebrities do not increase the likelihood to draw readers’ attention to an ad, neither for browsers nor for searchers. Attention duration, however, is moderated by consumers’ media consumption motives of browsing or searching an online magazine. We observed a ‘relative vampire effect’ among browsers, such that, celebrities increase the duration of attention to an ad for browsers, but most of this effect is consumed by enhanced attention to the endorser. No effects on attention duration to the brand or product emerged in absolute terms but, relatively speaking, attention duration to the brand and to the product in relation to the endorser decreased. In study 2, we found positive effects of celebrity endorsements on $A_{Ad}$ but these effects turn insignificant when controlling for physical attractiveness.

*References are available on request.*
Investigating the Effect of Perceived Celebrity Lifestyle Status and Persuasion Style in Advertising on Consumers’ Willingness to Spend (WTS): A Celebrity Priming Perspective

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Keywords: priming, persuasion, celebrity, willingness to spend, advertising, ANCOVA

Description: This study incorporates research on priming effects into research on the effects that endorsement messages congruent with celebrity characteristics have on their audience providing information about how viewers perceive specific celebrity characteristics and how priming celebrities can affect willingness to spend.

EXTENDED ABSTRACT

Research Questions

• Is it possible that the priming celebrity’s flamboyant lifestyle status could influence subsequent behavioral effects if it is consistent with the celebrity’s persuasion style (spend)?

• Would seeing a flamboyant celebrity as a priming tactic influence consumers’ willingness to spend (WTS) when the celebrity uses a persuasion style encouraging consumers to spend more money and become more indulgent—a behavior consistent with the celebrity’s status or will the incongruity between celebrity status and persuasion style (flamboyant celebrity using a saving persuasion tactic) have a significant effect?

• Will the on-screen character’s less flamboyant image have a different priming effect on spending behavior than the celebrity’s contrasting stereotyped glitzy off-screen image?

Method and Data

In Experiment 1, a simple two-condition priming experimental design is used to test the hypothesis that exposure to celebrities who have a perceived flamboyant lifestyle would result in spending behavior than celebrities perceived to be less flamboyant their lifestyle.

Experiment 2 investigates whether individuals respond differently toward the prime when the celebrity plays a character which is rich as against a character which is poor. In other words, will a celebrity’s on-screen character influence consumers’ willingness to spend? The dependent variable, willingness to spend, was operationalized as the amount of money participants were willing to spend on the endorsed product.

Key Contributions

Theoretical Contributions

Result of the present research makes important contributions to the priming literature by extending existing studies in several aspects. First, this study incorporates research on priming by investigating the effects of persuasion style used in advertisements by the primed celebrity, and the results show that a matchup between lifestyle status of the primed...
celebrity and persuasion style resulted in higher willingness to spend on the endorsed product. The results also contribute to the celebrity endorsement literature. Importantly, the study extends findings of Kahle and Homer (1985), who examined the effectiveness of celebrity advertising from a matchup perspective in terms of matching of spokesperson image with the nature of the product thereby implying the broader need for congruence between spokesperson image and the image of the product. The present findings show that this matchup goes beyond spokesperson image and product to the issue of congruence between perceived spokesperson lifestyle and the endorsement message. It is our contention that attractiveness component and perceived expert knowledge as explained by the matchup hypothesis reported by Kahle and Homer (1985) are not the only components of the more general notion of congruence between spokesperson image and product, but that its effects may be found with other source attributes such as spokesperson status and lifestyle.

Secondly, the number and variety of the meanings contained in celebrities are very large. While previous researches have studied the multidimensional nature of source cues including expertise, trustworthiness and attractiveness, among myriad other dimensions, the present study focused on a specific source characteristic, namely their lifestyle, which loosely refers to the wealth, fame and fortune associated with the source. Distinctions of status and lifestyle types, are represented in the pool of available celebrities, presenting numerous opportunities at the disposal of the marketing system.

Lastly, the current research aims to understand consumers’ willingness to spend as an outcome variable. While the previous studies have focused on consumer attitude and intention to purchase the advertised product, only a few studies have reported willingness to spend on a shopping trip following exposure to primed celebrity spokesperson as stimuli.

Managerial Implications
Exploring the effects of priming celebrity endorsers adds to persuasion literature but also has practical value. For advertising practitioners, employing an appropriate celebrity endorser to promote a product is an important and difficult task. The present research is relevant to practitioners of advertising, as it suggests that advertisers should consider finding a persuasion style in endorsements consistent with perceived celebrity status. We also found evidence that the same celebrity prime evoked different reactions, for willingness to spend, depending on the lifestyle characteristics of the character enacted by the celebrity on-screen, a finding that potentially opens opportunities for advertisers to exploit the film release of a celebrity resulting in the development of endorsement messages consistent with the primed celebrity character.

From a practical standpoint, these findings illustrate that consumers may be more likely to respond to endorsement messages consistent with the celebrity lifestyle image when responding to celebrity advertising. Thus, it is important to consider more than just a single celebrity characteristic when predicting likely consumer response to celebrity advertising. Marketers should use celebrity priming to reinforce positive consumer behavior. The results of this study can therefore be used to refine the positioning of a product or brand; more specifically, when positioning a value-brand engaging a celebrity with modest lifestyle while when positioning a luxury-brand using a celebrity with a more flamboyant lifestyle will result in desired results.

Summary of Findings
Results of two experiments provide strong support for the proposition that celebrities cause priming effects such that consumers’ willingness to spend depends on their perception of the celebrity’s (i.e. endorser’s) lifestyle. In line with the match-up hypothesis and meaning transfer hypothesis in celebrity effect research, it was hypothesized that participants exposed to highly flamboyant celebrity would be more willing to spend money when the celebrity used a “spend money” persuasion style in the endorsement message (congruent condition) than when the celebrity used a “save money” persuasion style (incongruent condition). Findings of a follow-up study suggest that the same celebrity can have different priming effects depending on the congruity between the roles played by the celebrity on-screen and the subsequent persuasion style used by them in endorsements. Exposure to a celebrity playing a flamboyant character was seen to be associated with increased willingness to spend money, than exposure to a celebrity playing a less flamboyant character on-screen. Results and managerial implications are discussed.

References are available on request.
Connecting the Dots: How Consumers’ Motivation Influences their Attitude Towards Different Types of Events

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Keywords: motivation, event-marketing, attitude, SmartPLS, consumer

EXTENDED ABSTRACT

Research Question
Although motivation to attend an event as well as the attitude towards the event have been essential to event-related research, a thorough assessment of their connection is, thus far, missing. Understanding which dimension of motivation influences the different dimensions of attitude could be a key factor to better address the needs of marketers and event-managers. Therefore, our first two research questions address this issue:

RQ1: Which dimensions of motivation influence the hedonic dimension of attitude?

RQ2: Which dimensions of motivation influence the utilitarian dimension of attitude?

Another issue essential to event-related studies can be found in the special role of different types of events. Given that most studies examine just one specific event (e.g., a concert or a football game) the explanatory power of derived results should be considered to be rather limited. Numerous studies do, however, argue for the relevance of event types (Crompton and McKay 1997; Gursoy, Spangenberg, and Rutherford 2006; Kim, Kim, and Jai 2016; Lee, Lee, and Wicks 2004). Based on their results, motivation and attitude are both subject to the influence of event type. Therefore, we address this issue with our third research question:

RQ3: How is the connection of motivation and attitude influenced by the type of event?

Method and Data
Through a qualitative prestudy, four types of events were identified as relevant for the main study: sport (i.e., a run), fun and party (i.e., a party), cultural experience (i.e., a classical concert) and networking (i.e., jobfair). Based on these findings, corresponding flyers, all similar with exception of the event title, the background picture and a very brief description of the event (e.g., stating the length of the track for the run), were designed for the manipulation of the main study. The date, the venue and the basic layout of the flyer were not changed throughout the different events.

Then, in a between-subject experimental design, four groups received one flyer each showing one out of the four possible events. Except for the flyer, the questionnaire remained similar for the four experimental groups. The final questionnaire was distributed online. N = 310 participants with a M\text{Age} = 25.65 (SD = 9.213) were part of the final sample. 71.9 % of the sample was female and 28.1 % male. The sample was divided into the four groups as follows: run (N = 77), concert (N = 92), party (N = 74) and jobfair (N = 67). According to the collected data our manipulation did work as expected and the flyers were believable enough to remind the participants of similar events.

Summary of the Findings
Overall, our results indicate that a connection between dimensions of motivation and dimensions of attitude does exist. Furthermore, we were able to identify differences among different types of events. Therefore, we can conclude that there is a

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connection between motivational dimensions and the attitude towards events, which is influenced by the type of event.

**Key Contributions**
Through our study, two major traits of event-related research are being connected, increasing the theoretical knowledge of the field and suggesting avenues for further research. The results yield, furthermore, valuable input for marketers and practitioners that can use these answers to better cater to the demands of the consumer.

*References are available on request.*
Giving an Incentive to Buy or a Reason to Buy? How to Change Consumers’ Minds at the Point of Sale

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Keywords: point-of-sale promotions, brand change, brand relevance in category, decision difficulty

Description: We compare the relative effectiveness of different point-of-sale promotions (incentive to buy (e.g., price discount) versus reason to buy activities (e.g., in-store advertising)) on brand choice by identifying new conditional effects for the superiority of each promotional activity.

EXTENDED ABSTRACT

Research Question
Which type of promotional activities is more effective to change consumers’ minds at the point-of-sale?

Method and Data
We use two incentive-aligned experimental studies (laboratory and online). To statistically test our hypotheses, we apply logistic regression and floodlight as well as spotlight analyses.

Summary of Findings
We identify two relevant moderators that determine the superiority of both types of promotional activities: brand relevance in the category and perceived decision difficulty, both of which significantly influence shoppers’ decision-making process and affect consumers’ responsiveness to POS promotions. We show that incentive to buy activities are more promising for shifting shoppers’ preferences when brand relevance and shoppers’ perceived decision difficulty are low. In contrast, reason to buy activities offer more benefits when brand relevance and perceived decision difficulty are high. Additionally, we observe no superiority of one promotional activity for situations with high levels of brand relevance and low levels of decision difficulty, and vice versa.

Key Contributions
We make three contributions to existing literature. First, we propose and test two new moderators of the effectiveness of POS promotion activities: brand relevance in category and perceived decision difficulty. Thus, we provide recommendations for when managers should prefer each POS activity to achieve desired brand outcomes. Second, we analyze a specific brand outcome to compare the effectiveness of POS promotions, namely, the ability of each POS promotion activity to shift shoppers’ previous preferences for competitor brands (when they enter the store) into choices of the promoted brand at the POS. Third, we overcome limitations of prior literature which relied only on field data when comparing different promotion types by using a controlled experimental setting. Thereby, we exclude confounding effects when assessing the favorability of promotional activities and the corresponding moderators, thus providing a high internal validity of our findings.

References are available on request.
A Complete Consumer Journey: Tracking Motivation in the Marketplace

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Leonard Lee, National University of Singapore

Keywords: motivation, sequential choice, retailing, consumer behavior

Description: By employing novel methodology in the field and a new online shopping paradigm, five shopping studies provide evidence that consumers’ dynamic motivation patterns diverge depending on whether they had a shopping list or not before an in-store consumer journey.

EXTENDED ABSTRACT

Research Question
The authors address the top research priority of understanding the customer journey to contribute new insights regarding the path consumers take towards purchase. In particular, building on the goal pursuit literature, this research investigates the dynamics of consumer motivation within a complete shopping trip. The purpose of this investigation is to answer the question of when are consumers most motivated during their shopping activities as opposed to most exploratory and open to external influence? To do so, we develop a model of in-store motivation based on the psychophysics of goal pursuit that predicts pretrip planning (i.e., shopping list usage) moderates the dynamics of shopper motivation (i.e., inter-choice time).

Method and Data
The research uses a multimethod approach to address the focal research question. First, a field study using video-tracking technology with 237 shoppers making 2,285 purchases provides evidence for the proposed theory in a real-world shopping environment. Then, four online shopping experiments with a combined 724 participants making 5,214 purchase decisions increase the generalizability and internal validity of the evidence for the motivation dynamics in the field study.

Summary of Findings
An in-store field study and four online shopping experiments find that shoppers’ motivational patterns diverge depending on whether they had a shopping list. Whereas consumers with shopping lists exhibited a deceleration of shopping speed (i.e., an increase in inter-choice time) over the course of their trip (i.e., a monotonic “to-date” motivation pattern), consumers without lists showed a nonmonotonic increase then decrease in inter-choice time (i.e., a curvilinear “stuck-in-the-middle” motivation pattern). Furthermore, demonstrating the relationship between inter-choice time and unplanned purchasing behavior, the field study finds that list usage moderates the likelihood of an unplanned purchase in the same manner as the shopper motivation findings. Finally, in support of the proposed psychophysical model of goal pursuit, the fourth experiment provides evidence for an underlying process whereby consumer reference points influence the dynamics of in-store motivation.

Key Contributions
The research makes three key contributions to the measurement and understanding of consumer motivation in the marketplace. First, the research employs novel offline and online methods to capture in-store behavior in a continuous manner instead of making inferences based on behavior measured at specific time points. Second, the research introduces a novel antecedent of in-store behavior—pretrip planning—and demonstrates its divergent impact on consumers’ motivations over the course of their shopping trips. Third, the findings add to the academic dialogue that consumer motivation can following a linear trend (e.g., a goal gradient
effect) or a curvilinear trend (the stuck-in-the-middle effect); pretrip planning, either self-initiated or externally manipulated, determines whether a curvilinear motivational pattern emerges as consumers progress from one product choice to another in the store. Managerially, retailers and brands can use the findings to increase the relevance of their communications and improve the shopping experience. Traditionally retailing tactics, as well as the burgeoning fields of online and mobile retail technology, can benefit from the actionable insights to manage each moment of a consumer journey in the marketplace, from the beginning to the end of a journey.

References are available on request.
Marketing and Consumption Around the World

Innovation and Consumption in BoP/Emerging Markets

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2019 Winter AMA Proceedings
How Are We Actually Doing? Performance Assessment of BOP Innovation Projects

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Keywords: bottom of the pyramid, innovation project evaluation, performance assessment, innovation, new product development

Description: The present study incorporates findings from a systemized literature review and in-depth interviews with BOP innovation experts to assess the importance and applicability of different innovation project evaluation criteria and to develop a comprehensive framework for performance assessment of BOP innovation projects.

EXTENDED ABSTRACT

Research Question
Two decades ago, Prahalad (2005) established the notion that the world’s bottom of the economic pyramid (BOP) represents the market of the future. Today, an increasing number of firms tries to tap into the growing market potential of approximately 4 billion underserved consumers at the BOP. However, doing business at the BOP is challenging and many firms still lack sufficient knowledge to succeed (Prahalad, 2012).

The literature highlights that intense market research efforts, the development of innovations tailored to the needs of BOP consumers, and learning from prior innovation failures are key success factors at the BOP (Schuster Holtbrügge, 2012). Learning from prior innovation failures requires a thorough evaluation of current and past innovation projects. While research and practice have identified a variety of evaluation criteria for innovation projects in traditional market environments (i.e., in developed markets), the literature questions the applicability of these criteria across different market environments (While Shenhar, Levy, and Dvir 1997). A literature review reveals that little research has been devoted to exploring evaluation criteria for BOP innovation projects. Therefore, it is the overall aim of our study to develop a framework that identifies and assesses BOP innovation project evaluation criteria.

Method and Data
We conducted an explorative systematic literature analysis and qualitative expert interviews. We applied a theoretical sampling approach and contacted experts with extensive experiences with the management and evaluation of innovation projects in BOP environments via online networks and company websites. A response rate of 9% resulted in a final sample of 17 experts in the field of BOP innovation. We conducted in-depth interviews via telephone and Skype, using a semi-structured interview guideline. The interviews were transcribed and analyzed with the MAXQDA software. Based on the grounded theory approach, we coded and categorized the gathered data in several subsequent steps (see e.g., Saldaña 2015). This process allowed for the systematic analysis of the data and the synthesis of the rich information gathered into a meaningful and manageable framework.

Summary of Findings
Our analysis reveals four dimensions of project assessment criteria to be applied in BOP innovation projects. First, we confirm the relevance of traditional financial evaluation criteria for the BOP context. However, most criteria require adaption. For example, profit targets need to be reduced to reflect lower per unit margins realizable in the low-income BOP context. Second, while traditional stakeholder-related success measures are applied with little adaptation, our data reveal one additional criterion of upmost importance at the BOP: Socio-Economic Impact. Creating socio-economic impact in terms of addressing serious societal problems, improving stakeholders’ life situations, and dealing with severe resource constraints at the BOP, forms a key aspect of many BOP innovation projects’ value proposition. Third, while traditional project assessment criteria in the budget and schedule dimension seem to be applied in the BOP context to a similar extent, several adaptations are required. For
example, BOP innovation projects require more time commitment and longer pay-off targets due to the unfamiliarity of the project environment. Fourth, our findings indicate that success measures *preparing for the future*, such as the opening of new markets and organizational learning, are considered more important for BOP innovation projects than for innovation projects in traditional market environments.

**Key Contributions**

Our findings provide future quantitative research on BOP innovation success factors with a broad list of potential outcome variables beyond financial measures, such as profitability and sales. The framework we develop serves as a base for future research to, for example, study the link between specific antecedents of BOP innovation (e.g., specific capabilities and resources) and BOP innovation project success—a development recently asked for (Pels and Sheth 2017).

Our study provides practitioners with an improved understanding of suitable BOP innovation project evaluation criteria. Furthermore, our findings highlight that for BOP innovation projects, managers should emphasize a critical shift in the relevance of particular evaluation criteria. For example, BOP innovation projects can foster organizational learning about the unfamiliar market environment at the BOP. To generate and absorb these learnings, managers need to implement a long-term perspective when applying evaluation criteria as generated learnings will likely require some time to pay-off in the future.

*References are available on request.*
Taming Desire? Negotiating the Complex and Paradoxical Tension Between Consumer Passion and Social Order

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Keywords: desire, Al-Ghazali, Tablighi Jamaat, Lacan, social order

Description: In this study, we elaborate how religious consumers negotiate the complex and paradoxical tension between consumer desire and social order.

EXTENDED ABSTRACT

In 2003, Russell Belk, Guliz Ger, and Soren Askegaard published their article, “The fire of desire: A multisited inquiry into consumer passion,” in the Journal of Consumer Research. While the article has been well read, unfortunately references to the work remain largely cursory.

We revisit Belk et al.’s study in an endeavor to advance the extant understanding of desire in consumer research. Specifically, informed by Lacanian psychoanalytic thought, we consider how the institution of religion functions as a disciplining force by which to mediate the (potential) conflict between human desire and the social order. We focus our analytical gaze on how religion dictates certain consumption practices, which ultimately perform to ensure that the pursuit of desire does not contravene the preexisting social order that structures society and organizes social relating. For support, we draw on a qualitative study of the Tablighi Jamaat, an Islamic sub-culture originating in South Asia. This article builds on studies that have captured the nexus between religion and the marketplace. However, unlike such studies, the question at the crux of this article concerns desire and how it becomes subjected to the discourses pertaining to religiously prescribed consumption practices.

Research Question
According to Jacques Lacan, desire operates at the level of the unconscious and poses significant threats to the prevailing constitution of social order. For desire to be unrestrained provisions it for the destruction of the norms, laws, and traditions that govern society’s existing social order.

Religion seeks to regulate desire in order to curb its destructive potential. Al-Ghazali, an Islamic theologian, stresses that negation of the two harmful desires of food and sex will: (i) thwart other worldly desires, which he deems to stem from the pursuit of food and sex, and, (ii) to realize the ultimate noble desire: the Hereafter.

A seminal study by Belk, Ger, and Askegaard (2003) suggests that there exists a “delicate balance between pursuing one’s desires and transgressing internalized limitations on what is appropriate social behavior” (p. 343). Belk et al. explain the myriad paradoxical tensions attached to desire through consideration of the competing fields of seduction and morality.

Summing up, Lacan’s psychoanalytic framing explicates why there exists the dynamism between desire and social order—and what Belk et al. label seduction and morality—while Al-Ghazali’s writings demonstrate how religion mediates desire and the social order. We intend to elaborate empirically explanation of Al-Ghazali’s argument.

Method and Data
For this study, we were purposeful in selecting Pakistan as our site. The elites of Pakistani society are trending towards secularism and define progress and opportunities
We selected the orthodox community of the *Tablighi Jamaat* (TJ). This religious group suited the project as its ideology is primarily concerned with actively repudiating worldly desire much in line with Al-Ghazali’s traditional writings. The TJ reaffirms traditional beliefs and practices by providing its participants with a more prescriptive role for their daily lives, especially with regards to consumption.

We adopted multisited ethnography to examine the lives of participants at both religious institutional premises and non-religious premises. Collectively, these naturalistic settings helped us understand consumer dispositions, beliefs, and routines.

One of the authors traveled on a four-month TJ immersion sojourn which was then followed by a second sojourn for 40 days with 10 other TJ participants. The second sojourn focused on observing and interviewing specific participants. Data was collected at three religious centers and 12 mosques in three different Pakistani cities.

**Summary of Findings**

*Curbing desire for the physical and the material:* TJ participants tend to exhibit anticonsumption tendencies and adopt a lifestyle that curbs carnal and material desires. The TJ environment yields this outcome. With TJ’s focus on gradually minimizing food consumption and restricting choice of what to eat, participants’ desires are quelled. Consumers come to regard excessive consumption (both in form and quantity) as evil and something that will lead to eternal damnation while, at the same time, believing that simplicity is one of the things adored by Allah.

We also found that curbing of sexual desire was particularly evident in the lives of our informants. Consistent with their adherence to a particular line of Islamic thought, we found that distance from the opposite sex was underscored as being essential.

*(Re)construction of desire for the Hereafter:* The idea of rewards and punishments in the Hereafter makes religious people abide by certain restrictions and self-monitor their thoughts and behavior. All of our informants talked about the Hereafter and the purpose of this “temporary” world one time or another during their interview(s). It is this belief in a life after death and working towards it that directs the participants’ consumption choices.

**Key Contributions**

A natural anxiety among consumers is how to tread the delicate line between seduction and morality. Lacan’s (1989) psychoanalytic understanding is that desire has the potential to disrupt the existing social order and be disobedient to authority. Given its subversive potential, religion functions as a conduit by which to wrest desire away from seduction and align it with morality. We see in the case of TJ that repetitive discourse, a closed group environment, and living with limited market (especially food) offerings, all serve as administrators of the moral code. In terms of food, clothing, sex, and home, TJ participants voluntarily restrict themselves to a lifestyle of simplicity.

As a theoretical contribution, we offer a boundary condition to Belk et al.’s (2003) meaning of desire. We argue that acyclic desire may transpose cyclical desire when consumers are governed and directed by religious guidance.

For informing practice, we showcase how certain religious consumers may reject marketplace affections for ostentatious brands, opulent food, and lewd imagery. We suggest that marketers who take care not to use techniques that may offend such constituents may safeguard themselves from backlash and resistance that could hurt brand equity.

*References are available on request.*
Consumption for Well-Being: The Izikhothane Phenomenon

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Kelly D. Martin, Colorado State University

Keywords: well-being, Izikhothane, self-determination theory, global brand-inspired subculture

Description: We explore global brand consumption against the background of Izikhothane in South Africa, highlighting how brands can both supplement and create tension for self-determination theory dimensions of competence, relatedness, and autonomy, which contribute to well-being.

EXTENDED ABSTRACT

Research Question
Can luxury brand consumption in base-of-pyramid markets have an upside? Against the backdrop of global consumption, our investigation examines the Izikhothane youth of Soweto, an impoverished township near Johannesburg, South Africa. Izikhothane is a global brand-inspired subculture focused on high-end apparel brands; crews of young men compete through extreme and sometimes destructive brand showmanship in ways that dovetail with focal elements of self-determination theory. In this research, we draw upon self-determination theory (SDT; Deci and Ryan 2000) to investigate these bottom of pyramid consumers to shed light on how their excessive consumption practices support their personal, psychological need satisfaction through competence, relatedness, and autonomy.

Method and Data
Our research involved two qualitative data collections. In 2015, 38 Izikhothane participated in an interview (33) or a focus group (5) to understand their life stories, engagement with the Izikhothane subculture, and involvement with branded products. In 2018, we returned for a second wave of depth interviews with 14 of our original informants to unearth deeper meaning on self-determination themes of competence, relatedness and autonomy in a way that tells a powerful story about brand engagement. The authors conducted a within-case and across-case analysis of informants’ transcripts with attention to our research questions and relevant theory. We tacked back and forth between our data and relevant literatures (Glaser and Strauss 1967; Spiggle 1994; Strauss and Corbin 1990) to consider Izikhothane practices within self-determination theory.

Summary of Findings
Izikhothane, a global brand-inspired subculture, provides a grounding for Bauman’s (2017) normalcy in the face of being poor in the South African township of Soweto. Extant research has substantiated that many engage in aspirational, materialistic, and compulsive consumption practices as path to need fulfillment, with a dark side to excessive consumption (Belk 1988; Rindfleish, Burroughs, and Denton 1997). Findings from our depth interviews provide concrete evidence of the ways in which brands and the Izikhothane subculture enhance their well-being through self-determination, empowering these youth. We highlight the components of autonomy, relatedness, and competence through respondents’ own stories. Given that past research shows marked differences in autonomy, relatedness, and competence in impoverished contexts, our work offers insights into how this subculture, and others like it, cope with the significant economic and social mobility constraints in their lives.

Key Contributions
Much attention and debate has been devoted to whether base-of-pyramid markets represent a proverbial fortune or hazard to marketers. A majority of this research highlights the negative aspects of excessive consumption among the world’s poor. Herein using a self-determination theory lens, we contribute to the academic literature and practice by...
investigating how this excessive consumption supports the psychological well-being among a global brand-inspired subculture. Our data reported here focus on how participation in this subculture and its consumption practices impact their well-being, enhancing feelings of competence, relatedness, and autonomy. Although not reported herein, we also have data on informants’ who have since disengaged with Izikhothane, and hence expect to make further contributions by offering perspectives on brand engagement practices and well-being post-Izikhothane.

References are available on request.
Voters’ Consumption of General Elections in Transitioning Economies: Scale Development and Validation

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Kobby Mensah, University of Ghana Business School

Keywords: political marketing, voters’ perceptions, scale development and validation

Description: Developing and validating a scale delineating the key factors explaining why people in transitioning economies such as Ghana vote in general elections the way they do.

EXTENDED ABSTRACT

Research Question
The Eurocentric attitudes that tend to dominate the literature on African economic, business and political dispensation (see Meillassoux 1971) are now giving way to new and better-informed perspectives on Africa (Mensah 2011; Blankson, Cowan, and Darley 2018). The dearth of research in this area relative to the importance of understanding political dispensation on the continent leaves a huge gap in our understanding of the African perspective. To that end, the research question states: How and why do voters’ (i.e., consumers) in transitioning economies vote in general elections the way they do? In the 25 years since Ghana returned to the path of democracy, the country—often referred to as a transitioning economy—has experienced tremendous changes in its political structure, electoral systems, party systems, media systems, voter sophistication, and freedom of speech and association. The country has experienced seven election cycles since then, alternating government between two dominant parties: the National Democratic Congress (NDC) and the New Patriotic Party (NPP). Like other transitioning economies in Africa, research on voting patterns in Ghana suggests a complex mix of factors underpinning political allegiance and voter choice (Anebo 1997; 2001), including family history, party traditions, personality, ethnicity, and economic basis.

Method and Data
We developed our constructs from original scales. Specifically, we conducted field studies among the public aimed at capturing consumers’ perceptions and their natural responses to rationales for engaging in general elections. Ten months prior to Ghana’s general elections in November 2016, we used snowball and foot-in-the-door techniques to conduct four focus group interviews among a convenience sample of the public reflecting rural, urban, and city residents in Ghana. Sixty participants attended four interview sessions and were compensated with snacks, beverages, and GHC10.00 (USD3.00) cash each. The interviewees discussed their involvement in party politics and their reasons for involvement in a certain political party.

We followed the focus group interviews with 30 in-depth, face-to-face interviews with senior party executives, members of parliament, and academics with research expertise in political marketing, opinion leaders from churches and mosques, and traditional chiefs. We used inductive reasoning to identify a list of statements generated from the focus group sessions and interviews with the executives and opinion leaders. This resulted in 45 items. The 45 items formed the final basis of the questionnaire for our survey in stage 2 of the scale development. We received 600 completed questionnaires out of the 3,000 questionnaires distributed to respondents.

Summary of Findings
We explored the underlying structure of the first survey data by carrying out principal component analysis (PCA). Initial visual assessment of the correlation matrices showed a considerable degree of inter-statement correlation. On average, strong positive correlations in the range of \( r = .29, p < 0.001 \) or above and higher means were identified for the first sur-
vey, indicating the importance of the items for the model. In addition, the Bartlett test of sphericity ($p < 0.000$; Approx. Chi-Square = 8377.681; df = 990) and the Kaiser-Meyer-Olkin (KMO) test (index = 0.829) for survey 1 confirmed the appropriateness of the data for exploratory factor analysis. We employed a varimax rotation to the data to obtain a clear picture of the structure and thus identify representative reflective indicators. Internal reliability with a Cronbach $\alpha$ value cut-off of 0.70 was established. Further examination of the item-total correlation using a cut-off of 0.30 revealed 12 items providing evidence of the robustness of the structure. All variables measured on multiitem scales as reflective indicators and under three constructs/factors, namely, (a) personal gratification ethos, (b) democratic ethos, and (c) civil and patriotic ethos.

In order to test and validate the three initial constructs, a second survey was undertaken involving 3,000 members of the public similar to the first survey. We subjected the second survey data to confirmatory factor analysis (CFA) using AMOS. All three factor loadings ranged from 0.59 to 0.94 and were statistically significant. In addition, the AVE value for “democratic ethos” and “civil and patriotic ethos” constructs met the 0.50 threshold (i.e., 0.52 and 0.50, respectively) while the remaining construct (personal gratification ethos) was lower (0.35). The fit indices for the three-factor measurement model are moderate in terms of the cut-off ranges (GFI = .91, AGFI = .84, NFI = .81).

Key Contributions

We infer that the analysis and results provide support—albeit in a few cases, marginal—for convergent and discriminant validity. In view of the foregoing results, we conclude that voters’ (i.e., consumers) consumption of general elections in transitioning countries and specifically, Ghana reflects three factors: “personal gratification ethos,” “democratic ethos,” and “civil and patriotic ethos.” Each dimension is grounded in practice and is generic in nature. Theoretically, the results of the study are consistent with Campbell et al’s (1960) and Mensah’s (2011) writing claiming that voters’ attitudes influence their behavior and which impact their decision-making processes much in the same way that consumer purchasing decision-making processes influence commercial marketing. As well, voters’ perceptions in Ghana reveal a behavioral sophistication (Mensah 2011) that presents challenges to political campaign marketing strategy. Moreover, the research’s theoretical underpinnings and empirical development clearly serve as insight for consumer behavior and political branding literatures. Policy makers and political party marketers will find the key factors identified in the findings of this study important as they attempt to woo voters in their constituencies. They can employ the three factors as the basis of their advertising efforts to position or reposition and/or rebrand their political parties and their political candidates.

References are available on request.
What Drives Consumers to Participate in Sharing Economy and Collaborative Consumption?

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Keywords: sharing economy, collaborative consumption, access economy, structural equation model

Description: This study puts forward a clear conceptualization for sharing economy and collaborative consumption, two new modes of exchange which concepts have been used interchangeable, and explores the differences in the reasons why participants choose participating each of these forms of exchange.

EXTENDED ABSTRACT

Research Question
The aim of this study is, first, to establish a clear and comprehensive conceptualization for sharing and collaborative based modes of consumption; second and most importantly, this study assesses whether there are differences in the reasons why consumers are willing to participate in each mode of consumption.

Method and Data
The data set consisted of 400 users of different collaborative consumption and sharing economy services. We only included in the data set respondents that had used, at least once, one of the services mentioned at the beginning of the survey. Owyang, Samuel and Grenville (2014) found that collaborative consumption and sharing economy services were mainly used by a young age group and by users from different socioeconomic status. Thus, our research targeted mainly users that were 18 to 40 years old. For the operationalization of the variables, we used existing scales published in prominent sources. Each construct included between three to seven items which were measured on a Likert scale. After conducting several pretests, the questionnaire was rolled out in April 2018. The items in the survey were displayed to respondents randomized in order to avoid the possibility of detecting patterns between measurement, as well as bias (Cook and Campbell, 1979).

The proposed model was tested using the structural equation modeling (SEM) technique, a multivariate technique for analyzing causal models (Hair, Black, Babin, and Anderson, 2010). To apply the modeling, a confirmatory factor analysis was used to certify that each construct (latent variable) was represented by the items (Hair et al., 2010). As all items’ loadings were above 0.49, we ensured adequate fit between the items and correspondent latent variables. The mode of exchange (sharing economy or collaborative consumption) was treated as a dummy variable and the interaction between the dummy and each item of each construct was also added to the model.

The measurement model was assessed by examining the validity and reliability of the model. To measure reliability, we used three metrics: composite reliability, average variance extracted (AVE) and Cronbach’s alpha. The reliability analysis showed that all requirements were fulfilled: results were Cronbach’s alpha equal to 0.8997, composite reliability above 0.9672, and AVE above 0.8808 (Fornell and Larcker, 1981). The sample size satisfies the typical use of having a minimum of five respondents for each estimated parameter (Hair et al., 2010). The structural model was analyzed using STATA (version 13.0).

Key Contributions
First, this study shows the importance of clearly differentiating and analyzing separately sharing economy and collabo-
rative consumption related phenomena. This is extremely relevant given that the forecast is that more businesses, or products and services of both sharing economy and collaborative consumption will emerge in the recent future (Botsman and Rogers, 2010). Second, clear and comprehensive, yet parsimonious definition for each type of exchange was provided. Finally, consumer behavior is analyzed by comparing two new modes of exchange, providing an empirical base for understanding differences in the behavior intention for participating in such modes.

For businesses, while being part of a sharing economy can be seen as socially desirable (Belk, 2014), companies in collaborative consumption market should focus on the economic aspects and those companies also have the opportunity to explore the enjoyment aspect of the services. Fun, joy and excitement are some characteristics of enjoyment (Hamari et al., 2015) that can be used in collaborative consumption businesses to attract and retain customers. In the sharing economy market, it seems important that companies explore a specific purpose and communicate in a clear manner the firm’s value proposition, as participants are mostly driven by intrinsic variables. Furthermore, we found that exploring trendiness and novelty related aspects for both modes can create or strengthen their competitive advantage.

Summary of Findings
Our results show that intrinsic motivations have a more similar impact in behavior intention in sharing economy and in collaborative consumption than it was expected. Social benefits being perceived equally impacting sharing economy and in collaborative could be explained by the fact that the sense of belonging to a group with the same interest seemed to be an important factor for this sample that was highly represented by young people until 25 years old.

Enjoyment, as expected was also found equally impacting behavior intention in sharing economy and in collaborative consumption. This is in line with Hamari et al.’s (2015) findings, showing that this intrinsic motivation is important for consumers in a similar way. This can be driven by the predominant logics of mutuality (Scaraboto, 2015) found in collaborative consumption and altruism (Belk, 2007) in sharing economy. We also found a strong interest by this group regarding environmental benefits resulting from the usage of sharing economy platforms. This finding reflects this generation’s potential interest for more social and environmental related causes (Hume, 2010).

As part of extrinsic motivation, perceived economic benefits were found to impact behavior intention more strongly in collaborative consumption than in sharing economy. The economic motivation stronger in collaborative consumption can also be explained by the fact that this mode of exchange involves compensation, either monetary or nonmonetary, bringing a pricing perspective to every goods and services that are exchanged in this market (Wertenbroch, Soman and Chattopadhyay, 2007).

Convenience benefits show a higher effect on behavior intention strongly in sharing economy than in collaborative consumption. The explanation can be that collaborative consumption always involves some type of compensation. When there is compensation, the consumer might create a different level of expectation regarding the perceived benefit (Voss, Parasuraman, and Grewal, 1998), thus having a cost-benefit equation that is harder to be met than in sharing economy (Brandstätter and Brandstätter, 1996; Wertenbroch, et al., 2007).

Trend orientation impact showed having an equal impact in the behavior intention in collaborative consumption and in sharing economy, confirming that participants of both exchange modes feel able to consume new and trendy products and services offered. Novelty seeking can influence one’s perceived value, which then impacts consumer behavior as stated by Sheth, Newman and Gross (1991).

References are available on request.
Social Media Personality Edifice: Understanding through Facebook Consumption Culture of Canadian and Korean Users

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Keywords: social media, Facebook, consumer culture, social media identity

Description: The focus of this paper is on how Canadian and Korean consumers portray their social media personalities using Facebook.

EXTENDED ABSTRACT

Research Question
The primary objective of this research is to explore how consumers portray their social media personalities through their social media consumption culture reflecting social and cultural backgrounds within a global society.

Method and Data
In-depth interviews were conducted to examine the social media consumption behavior of two groups of Facebook consumers, Canadian and Korean Facebook consumers.

Summary of Findings
This study found distinctive social media personality edifice relevant to Canadian and Korean Facebook participants within three sub-sets of Facebook consumption culture: Facebook personal identity building culture, Facebook social networking culture, and Facebook brand engagement culture. Canadian participants displayed a multicultural background, and struggle between personal and professional identities in building their online identities, while Korean participants emphasized their differentiated identity from other users. The findings show that while Canadian consumers tend to consider sharing their experience of group-related rituals socially desirable, Korean participants shared more content related to their achievements, such as graduations, scholarships, and getting a job. Although technology and hobby related brands were most frequently mentioned by both Canadian and Korean users, Korean participants showed higher tendencies of conspicuous brand usage in terms of posting and recognizing favourable brands and products.

Key Contributions
This research contributes to growing consumer research that explores how consumers generate meanings and identities from daily consumption practice (Arnould and Thompson, 2005). This research extends an understanding of dynamic and constantly evolving consumers’ social media identity. Many studies were dedicated to emerging literature of understanding consumers’ behaviour in social media, including Facebook (Zhao, et.al., 2008; Van Dijck, 2013; Zhang, et.al., 2010; Heinonen, 2011), yet this current study utilizes a comprehensive and holistic approach to interpret the meanings of consumers’ social media identity as a composite and inclusive process. Second, this research enhances marketing managers’ knowledge of how consumers’ local cultural and social backgrounds affect their social media preferences. Finally, this research helps managers to understand how consumers develop relationships and engage with their favourite brands.

References are available on request.
Smiling vs. 😊: The Effect of Emojis on Recall of Online Reviews

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Keywords: emoji, emotional arousal, recall, and online reviews

Description: This research studies how emojis affect the recall of online consumer reviews with emotional arousal as the mediator and valence as the moderator.

EXTENDED ABSTRACT

Research Question
Emojis, a type of textual paralanguage, are widely used to convey emotion. This research explores how people perceive emotional arousal in consumer reviews containing words and emojis, compared to reviews containing words only. We also explored the mechanism under the effect of emojis and the consequence of this effect. Specifically, we explored whether emotional arousal mediates the relationship between emojis and recall and how the valence of the consumer review moderates the relationship between emojis and the emotional arousal of consumer reviews. We also investigated construal level theory as an alternative account to explain the effect of emojis on emotional arousal.

Method and Data
We conducted five studies to test our research propositions. Study 1 tests how the interaction between emojis and valence affects the recall of valence of online review with a one-week interval. Study 2 explores how the interaction of emojis and valence affects the short-term recall of emotional information. Study 3a and Study 3b investigate that whether word-plus-emoji reviews have a greater impact on perceived emotional arousal than the word-only reviews. Furthermore, the valence of reviews moderates the relationship between emojis and emotional arousal. We collected data from both U.S. and Chinese samples. Study 4 explores whether emotional arousal mediates the effect of the interaction between emojis and valence on recall. Study 5 tests whether construal level theory can explain the effect of emojis on emotional arousal.

Summary of Findings
The level of emotional arousal that consumers perceive is higher when they read a word-plus-emoji review than when they read a word-only review. The valence of consumer reviews moderates the relationship between emojis and the level of perceived arousal that readers perceive about the reviews. Specifically, we argue that for negative reviews there is less likelihood of there being a difference in the word-plus-emoji condition and the word-only condition. Conversely, we expect that for positive reviews there would be higher perceived arousal for the word-plus-emoji condition compared to the word-only condition. Meanwhile, the higher level of emotional arousal leads to better performance on recall the valence or emotional information of consumer review. Finally, construal level theory cannot used to explain the effects of emoji on emotional arousal.

Key Contributions
Our research explored the consequences of emojis on perceived emotional arousal and recall of consumer reviews under the online review setting. Consumers perceive a higher level of emotional arousal from the word-plus-emoji consumer reviews than the word-only reviews. Such an effect is greater when the valence is positive than when the valence is negative. The higher level of online consumer reviews emotional arousal further leads to a better performance on recall. In addition, we failed to get support regarding the interaction effect between emojis and different construal levels. Such research contributes to the literature on consumer reviews and paralanguage. It also helps managers understand how consumers process emojis in consumer reviews.

References are available on request.

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Effect of Individualism on E-Word of Mouth (E-WOM): Theory and Evidence

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Keywords: individualism, user-generated content, online user ratings, expectation-disconfirmation, and prospect theory.

Description: This study examines the effect of individualism on e-word of mouth (e-WOM) and the moderating roles of brand preference and experience of premium variants on the relationship between individualism on e-word of mouth.

EXTENDED ABSTRACT

Research Questions
A large proportion of travel services is consumed internationally by customers from a variety of cultures. For example, a record 66.96 million Americans traveled abroad in 2016 (Wood, 2017) and direct spending by resident and international travelers in America was $2.8 billion a day (US travel, 2017). Similarly, approximately 131 million Chinese customers traveled overseas in 2017 and spending by Chinese tourists reached $261 billion in 2016 (Nielson, 2017). A critical cultural difference across customers from America and China, in particular, and a variety of cultures, in general, is the difference between individualism and collectivism. Extant international marketing literature has studied the moderating role of culture on the effect of e-WOM on market share (Tang, 2017). However, we have limited understanding of how differences in cultures lead to e-WOM. Considering the importance of e-WOM in travel-related services and international context, practitioner interest in the impact of individualism on sales, and the lack of research on the effect of consumer culture differences on e-WOM, we study the following research questions:

• What is the impact of individualism on user review rating valence?
• What are some of the moderators of this relationship between individualism and user review rating valence? Specifically, we investigate two moderators, brand preference and experience of premium variants.

Method and Data
We construct the database through three different stages across multiple data sources: Skytrax online review data, Skytrax brand ranking, and Hofstede’s culture index. First, we collected online review data from Skytrax’s interactive website, www.airlinequality.com. On this website, customers can comment and rank their experienced travel. Considering the vast amount of reviews in Skytrax, we sourced the reviews in the most recent 15 years (from 2002 to 2016). At the end of this stage, we collected 48,721 reviews on 398 airlines (including both regional and national airlines) from consumers across 167 countries. Second, using the name of airlines, we merge the brand ranking data collected from Skytrax with our review database. Since Skytrax only ranks the top 100 airlines each year, at the end of this stage, we have 28,680 observations. Third, we sourced Hofstede’s index scores from Hofstede insight website, https://www.hofstede-insights.com/country-comparison and merged these scores into our review database. The final sample size for analysis is 9720. To test the theory, we applied a fixed-effect panel data regression model.

Summary of Findings
The results of fixed-effect panel models show a significant negative impact of individualism (B1 = −.0071, p = .0155) and brand ranking (B2 = −.0398, p = .0788) and a positive impact of premium product variants (B4 = 1.2182, p < .001) on review valence. Since we use brand ranking to measure the brand preference (where ranking = 1 indicates the highest preference and ranking = 100 indicates the lowest preference), a significant negative association between brand ranking and review valence supports our argument that brand preference has a positive impact on review valence. Thus, our hypotheses on the direct effects of individualism, brand preference and premium product variants on rating valence are
supported. Also, the results show that brand ranking negatively moderates the relationship between individualism and review valence ($B_3 = -0.0002, p = 0.0048$) whereas premium product variants positively moderates this relationship ($B_5 = 0.0162, p < 0.01$). In the full empirical model, we got consistent moderated results ($B_3 = -0.0002, p = 0.0132; B_5 = 0.0155, p < .001$). Thus, two hypotheses on moderating roles of brand preference and premium product variants are supported.

Key Contributions
This is the first study that established a theoretical link from individualism cultural dimension to expectation-disconfirmation and prospect theory in the context of e-WOM. Our research implies that managers tracking user reviews for their products can expect more negative reviews from customers from individualistic cultures as compared to collectivist cultures. The cause of such negative reviews is based on the variability of preference associated with individualism and aggregate expectation formation based on past reviews. To remedy the situation managers can make efforts to build expectations among their customers appropriately. Also, an avenue to deal with the problem is to provide more premium variants of the product and personalize such offerings as airlines do in case of business and first-class cabin customers. Our research also implies that a higher brand ranking or aggregate brand preference that reflects the higher quality of a product can be used to moderate the negative effect of individualism on e-WOM valence. A silver lining associated with the impact of individualism on e-WOM is that it leads to a higher volume of user reviews.

References are available on request.
An Examination of Online Product Nonreturns and Consumer Intentions to Return to the Store

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Keywords: online shopping, online service failure, product nonreturn, emerging market

Description: This research focusses on online product nonreturning behavior after a service failure and its consequences on future shopping behavior.

EXTENDED ABSTRACT

Research Questions
The key research questions that this research addresses are:

- Why do customers dissatisfied with their online product purchase continue to retain their product?
- How do such incidents affect their future shopping behavior?
- Is this behavior of importance to a firm?

Method and Data
To investigate these questions, a multi method approach is used. An inductive interpretative grounded theory approach is adopted in study 1 to develop a conceptual model of product nonreturn. In Study 2, a critical incident technique is used to validate and explore the themes developed from Study 1. Study 2 collects critical incidents from two countries (emerging and developed market) to understand and explain the phenomenon.

Summary of Findings
The results show that majority of the nonreturners exhibited an unfavorable behavior in their future behavior which is of concern to the firm. The results show that “perception of hassle” and “adjustment” were among the major reasons for non-returning. While perception of hassle reduced the consumer’s intention to shop again in the store, adjustment had the opposite effect. The predominant future shopping behavior involved such consumers punishing the company by not returning to the store. Customers also preferred to mentally disengage after the incident as a coping mechanism and had a low tendency to report their dissatisfaction with the product to the company. The results can help managers develop suitable strategies to target the nonreturners based on reasons for nonreturning. This will help reduce the adverse consequences of online product nonreturns.

Key Contributions
The article provides evidence of an unexplored consequence of online service failure, which is product nonreturns. The results show that “nonreturners” does not necessarily mean satisfied customers and by ignoring this phenomenon, retailers could be misclassifying them and losing out on customers in the long-term basis. Managers should pay more attention to the reasons behind nonreturn and develop suitable strategies for dissatisfied nonreturners.

References are available on request.
The Impact of Language Proficiency on Service Satisfaction

Wolfgang Messner, University of South Carolina

**Keywords:** airline services industry, customer satisfaction, language proficiency, service encounter

**Description:** Using linguistic sophistication analysis, this study shows that when customers are being served in English and English is not their primary language, language proficiency affects their satisfaction with the service.

**EXTENDED ABSTRACT**

**Research Question**
Service marketing models and theories seek to describe interactions between service providers and customers. In such dyadic interactions, language can enable customers’ active participation in the service encounter, as long as both can communicate effortlessly using the same language. Prior research mostly addresses situations in which customers want to use their primary language. In an effort to extend this line of research, this study investigates service encounters in which service providers simultaneously address multiple customers from different countries or sequentially transact with many customers without knowing their primary languages in advance. Recent studies of language use identify positive effects when the service provider and customer speak the same language. But in many service settings, complete language convergence is not feasible. Specifically, this study asks if a customer’s proficiency in the language of service delivery leads to higher service satisfaction.

**Method and Data**
This study focuses on airlines with a home base in English-speaking nations, including Australia, Canada, Hong Kong, Malta, New Zealand, South Africa, the United Kingdom, and the United States. It analyzes passengers review statements from the airline and airport review site airlinequality.com for their lexical sophistication using the BNC Trigram Written Frequency Logarithm index as implemented in TAALES 2.2 software. The measure for service satisfaction is a rating on a Likert scale included in the same airlinequality.com survey.

**Summary and Findings**
The results of a partial correlation analysis suggest that language proficiency relates to service satisfaction at $r(952) = -0.067$ ($p = 0.039 < 0.05$), even after controlling for the airline’s general service level. Because this correlation is small (but significant), robustness tests are conducted against non-service related ratings and with passengers whose native language is English. It can be concluded that proficiency in the language in which the service is delivered leads to higher satisfaction with customer service. A floodlight analysis using the Johnson-Neyman technique identifies an area where the airline’s general service level has a statistically significant effect on the relationship between language proficiency and service satisfaction. But in both excellent and poor service environments, language proficiency does not influence service satisfaction.

**Key Contributions**
The effect of language divergence on customer experiences is not a new finding, and the importance of communication in service encounters is clear in both marketing literature and customer relationship management consulting practice. However, very limited empirical evidence has been available thus far. The current study extends empirical research on language in customer service interactions to the airline services industry. The findings also uncover how superior or inferior service quality can override the effect of consumers’ language proficiency on service satisfaction. This study helps clarify the significance interval in which a customer’s language proficiency affects satisfaction. Marketing managers need to consider the role of language to avoid unintended consequences for customer satisfaction, beyond the immediate scope of conducting the business transaction.

**References are available on request.**

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The Interplay and Consequences of Brand Globalness and Local Iconness: The Case of Mexican American Consumers

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Keywords: branding, globalness, local iconness, ethnic identity, immigrants

Description: The study focuses on how immigrant consumers differently perceive the home country brands that implement the marriage of brand globalness and local iconness strategy.

EXTENDED ABSTRACT

Research Question
Do immigrants attribute greater prestige and quality to their home country brands that pursue the brand globalness strategy?

Method and Data
Two a priori criteria guided stimuli development. First, an eight-cell matrix product types: 2 (high- vs. low-involvement product) × 2 (utilitarian vs. hedonic product) × 2 (food vs. nonfood product) was incorporated. Second, we sought brands that prospective respondents would perceive as being from Mexico. A total of 30 Mexican American undergraduate students in Southwestern USA evaluated 27 Mexican brands via an online pretest, resulting in the final list of 8 brands.

The main study sample consisted of 184 Mexican American professional adult immigrants residing in Southwestern USA. Respondents were recruited electronically via the researchers’ social network. Of the 184 online surveys taken, three were severely incomplete, leaving 181 usable responses. Each respondent evaluated 8 Mexican brands, totaling 1,448 brand evaluations. The Mahalanobis D2 was applied with the threshold of .001 to identify the outlier (Tabachnick and Fidell, 2013), leaving 1,326 brand evaluations remained.

Summary of Findings
First, this study finds that immigrants who possess a low degree of ethnic identity (EID) do not appreciate the marriage between the globalness perception and local iconness implemented by the home country brands, i.e., Mexican brands. As those brands acquire a higher degree of global perception, these immigrants view them as less iconic of their home country. On the other hand, the association between brand globalness and local iconness strategy does not significantly influence immigrants with a high degree of EID on their perception of the home country brands.

Unlike previous studies on global-local brand competition (e.g., Alashban et al., 2002; Özsomer, 2012; Strizhakova and Coulter, 2015), the study finds evidence that local iconness is a driver of quality in both food and nonfood product categories. Therefore, this finding support that immigrants are distinct from their country fellows in both the home and host countries.

Additionally, the implementation of local iconness of the home country brands can provoke greater brand prestige and quality, as well as increase the capacity of such brands as means of consumer identity expressiveness, resulting in a greater intention to purchase among immigrant consumers (e.g., He and Wang, 2015; Özsomer, 2012; Strizhakova and Coulter, 2015; Zolfagharian et al., 2017).

Key Contributions
First, this study extends previous research on the global-local brand competition (e.g., Batra et al., 2012; Özsomer, 2012; Strizhakova et al., 2011) by highlighting the moderating role of EID as immigrants encounter home country
brands and evaluate their degree of perceived brand globalness (PBG), local iconness (LI), prestige, identity expressiveness, and quality, as well as based their purchase intention on these evaluations. Second, this study also extends prior research on immigrants (e.g., Cleveland and Chang, 2009; Zolfagharian and Ulusoy, 2017) into the local vs. global branding strategy by exploring the effect regarding the interplay between brand globalness strategy and LI of home country brands among low- vs. high-ethnic identity immigrant consumers.

Furthermore, this study provides further evidence that the mixed identities of immigrants are a key factor to consider when managers seek to target such consumers and seek ways to make predictions as to how they evaluate products and brands (e.g., Cleveland and Chang, 2009; Zolfagharian and Ulusoy, 2017). Therefore, companies should find ways to estimate the EID profile of a specific immigrant group to effectively predict as to how they evaluate products and brands.

References are available on request.
How Country Stereotypes and Brand Globalness Drive Brand Preferences in Austria and the Netherlands: Consumer Ethnocentrism and Hedonic/Utilitarian Product Characteristics as Moderators

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Introduction
Consumers’ perceived globalness (PBG) and localness (PBL), as well as the image of a brand’s country of origin (COO), create brand value in different ways (Özsomer, 2012; Steenkamp et al., 2003). Only recently, Halkias et al. (2016) adopted an integrative perspective by including assumptions from both streams of research into a single model and simultaneously investigated the relative effects of a brand’s COO and its perceived globalness/localness on brand attitude and purchase intentions.

We seek to extend previous findings with a cross-cultural empirical study, which contributes to the literature in at least three ways. First, by using a range of brands from different product categories and different countries than Halkias et al. (2016), our study provides new insights on the synergies between country- and brand-specific characteristics in shaping brand preferences. Second, the study contributes towards increasing the generalizability of the model proposed by Halkias et al. (2016) by testing whether the results can be replicated in two culturally different countries, namely Austria and the Netherlands. Finally, we extend previous findings by examining the role of consumer ethnocentrism as well as hedonic and/or utilitarian motivations for consuming a product as potential moderators. In short, our cross-cultural study aims to shed light on the conditions under which PBG/PBL and country stereotypes are more relevant in predicting brand attitude and purchase intentions.

Theory and Hypotheses
Global brands generate value through associations with quality, prestige, esteem, credibility, excitement, and modernity, and consumers are willing to pay more for global brands than for local brands, regardless of the actual quality (Davvetas et al., 2015). Unlike global brands, local brands are only available in a specific geographical region. They benefit from building on the local identity and culture (Özsomer, 2012) and they satisfy consumers’ need for authenticity and originality (Nijssen and Douglas, 2011). We therefore hypothesize:

Hypothesis 1a: PBG has a positive effect on brand attitude and, ultimately, purchase intentions.

Hypothesis 1b: PBL has a positive effect on brand attitude and, ultimately, purchase intentions.

The COO effect is defined as “the bias toward a product, positive or negative, that results from a consumer’s preconceived ideas about the quality of products originating in a particular country” (Wilcox, 2015, p. 86). Research has shown that consumers’ intuitively transfer their beliefs about country stereotypes to brands and products originating from these countries (Herz and Diamantopoulos, 2013). Therefore, assessing consumers’ stereotypical associations with the population of a brand’s COO is an effective way for capturing the COO effect.

According to the stereotype content model (SCM) (Fiske et al., 2002), there are two stereotypical dimensions, competence and warmth, on the basis of which individuals organize their beliefs about every social group. Competence corresponds to characteristics such as capability, efficiency, and intelligence. On the other hand, warmth captures notions...
such as friendliness, kindness, and good-naturedness. In general, competence is argued to have a stronger effect than warmth on consumer attitudes, because expectations of high quality may more directly be the result of high competence than high warmth (Chattalas and Takada, 2013). Indeed, some recent studies found that competence perceptions of a brand’s COO had a positive effect on brand attitude, whereas warmth perceptions had no significant effect (Diamantopoulos et al., 2017; Halkias et al., 2016). We anticipate similar findings and test the next two hypotheses:

**Hypothesis 2a:** Perceived competence of a brand’s COO has a positive effect on brand attitude and ultimately, purchase intentions.

**Hypothesis 2b:** Perceived warmth of a brand’s COO has no significant effect on brand attitude and ultimately, purchase intentions.

Research has shown that the magnitude of the COO effect on product evaluations varies across product categories (Kaynak and Cavusgil, 1983). In general, products can be classified based on their predominant hedonic or utilitarian properties (Park et al., 1986). The consumption of hedonic products is mainly driven by affective motivations and satisfies sensory or symbolic needs, whereas the consumption of utilitarian products is more cognitively driven and satisfies practical or functional needs (Voss et al., 2003). Bridging the gap between this hedonic versus utilitarian product distinction and the SCM, Chattalas et al. (2008) suggested that consumers’ perceived COO competence more positively impacts the evaluation of utilitarian products from this country, and that perceived COO warmth more positively impacts the evaluation of hedonic products. We therefore hypothesize that:

**Hypothesis 3a:** The degree to which a product satisfies utilitarian needs positively moderates the relationship between perceived COO competence and brand attitude.

**Hypothesis 3b:** The degree to which a product satisfies hedonic needs positively moderates the relationship between perceived COO warmth and brand attitude.

Finally, consumers with high levels of ethnocentrism think that “purchasing imported products is wrong because, in their minds, it hurts the domestic economy, causes loss of jobs, and is plainly unpatriotic” (Shimp and Sharma, 1987, p. 280). Consistent with the evidence that ethnocentric consumers are likely to react negatively to foreign brands and are expected to display less favorable attitudes toward those brands (Sharma et al., 1995), this negative moderating effect is also expected for the relationship between PBG and brand attitude in our study. Conversely, consumer ethnocentrism is expected to positively moderate the relationship between PBL and brand attitude.

**Hypothesis 4a:** Consumer ethnocentrism negatively moderates the relationship between PBG and brand attitude.

**Hypothesis 4b:** Consumer ethnocentrism positively moderates the relationship between PBL and brand attitude.

For a clearer understanding of the hypothesized relationships and moderation effects, the replication model (left) and the newly hypothesized moderators (right) are shown below:

**Empirical Study**

Data was collected through web-based questionnaires in Austria and the Netherlands. The samples consisted of 249 Austrian and 193 Dutch respondents, with a mean age of 28.1 years in Austria and 24.5 years in the Netherlands. In the Austrian sample, 58.6% of respondents were female, as opposed to 53.6% in the Dutch sample.

In a between-subjects study, respondents were randomly assigned to one out of six different product categories and asked about their perceptions of their assigned product category in general, as well as a specific brand within the category and the brand’s corresponding COO. Besides six global brands (Adidas/Germany, Burberry/England, Colgate/USA, Evian/France, Huawei/China, IKEA/Sweden), a domestic brand (Römerquelle/Austria and Heineken/Netherlands) was included in the study in each country, in order to increase the variability of PBL. Indeed, in a review of previous COO research, Balabanis and Diamantopoulos (2004) pointed out that a limitation of most studies is that they do not include any domestic products. We wanted to overcome this limitation, by which the Halkias et al. (2016) study is also affected, by including a domestic brand (presumably scoring high on PBL) into our study in each country.

The chosen product categories covered a wide range of consumer goods, which not only reduced the category specificity of our findings thereby enhancing generalizability, but also helped assess whether the proposed model held across varying degrees of product involvement and satisfaction of utilitarian/hedonic needs. Five of the six product categories were different from the ones used in the Halkias et al. (2016) study to help establish the generalizability and robustness of the proposed research model across different types of consumer goods.

All constructs were measured with validated scales that have been used widely in past research. In the first part of the ques-
tionnaire, brand attitude ($\alpha_{AT} = .91$; $\alpha_{NL} = .89$), purchase intentions ($\alpha_{AT} = .92$; $\alpha_{NL} = .90$), and PBG ($\alpha_{AT} = .82$; $\alpha_{NL} = .80$) were each measured with the exact same three-item scales used in the reference study by Halkias et al. (2016). PBL was also measured with three items ($\alpha_{AT} = .89$; $\alpha_{NL} = .90$), of which two were used in Halkias et al. (2016). We extended the localness scale by adding a third item used by Steenkamp et al. (2003). This was done because reliability of the two-item scale in the study by Halkias et al. (2016) was questionable ($\alpha = .66$). In the second part, the utilitarian ($\alpha_{AT} = .91$; $\alpha_{NL} = .92$) and hedonic ($\alpha_{AT} = .88$; $\alpha_{NL} = .82$) dimensions of consumer attitudes toward the product category were measured using two five-item semantic differential scales (Voss et al., 2003). Next, consumer ethnocentrism was measured with a 5-item scale ($\alpha_{AT} = .89$; $\alpha_{NL} = .81$) adapted from Shimp and Sharma (1987), as previously used in other studies (e.g. Verlegh, 2007). When it comes to the stereotypical associations with a brand’s COO, respondents were presented the brand’s COO next to another reference country with supposedly different stereotypical associations (e.g. Germany/Spain) and asked to assign eight attributes to either country. Consistent with other studies, four attributes captured perceptions of competence (capable, efficient, intelligent, competent) and four captured perceptions of warmth (friendly, good-natured, kind, warm). To avoid carry-over effects, the order of their appearance was counterbalanced. Stereotype measurement was deliberately undertaken at the end of the questionnaire while brand attitude and purchase intentions were assessed at the very beginning to avoid priming effects. Following the same procedure as Halkias et al. (2016), attribute allocations for each stereotype dimension were aggregated, resulting in an overall index variable of warmth and competence ranging from 0 (no attribute allocated) to 4 (all attributes allocated) for the brand’s COO.

Correlations between constructs can be found in the Appendix at the end of this document.

**Results**

We conducted analysis of descriptive statistics with SPSS and structural model estimations with LISREL 9.30. Moderation effects were examined using the SPSS PROCESS 2.16 macro.

First, we examined whether the base model proposed by Halkias et al. (2016) can be replicated using an Austrian and a Dutch sample and across a different range of stimulus brands from different product categories and COOs (hypotheses 1a, ab, 2a, and 2b) than in the original study. In a second step, we investigated the potential moderating effects of the hedonic and/or utilitarian motivations for consuming a product category and consumer ethnocentrism by running separate regressions with two-way interactions (hypothesis 3a, 3b, 4a, and 4b).

The replication model obtained very good fit with both the Austrian and the Dutch dataset. The commonly agreed-upon fit acceptability thresholds were met for all fit indices in Austria ($\chi^2 = 7.382$, $df = 4$, $p = .117$, RMSEA = .058, GFI = .991, CFI = .992) as well as the Netherlands ($\chi^2 = 7.240$, $df = 4$, $p = .124$, RMSEA = .065, GFI = .989, CFI = .989), and the obtained fit was comparable to the results reported by Halkias et al. (2016).

In terms of the individual structural paths, both PBG and PBL had a positive effect on brand attitude in Austria ($\beta_{\text{PBG}} \rightarrow \text{BATT} = .193$, $p < .05$; $\beta_{\text{PBL}} \rightarrow \text{BATT} = .276$, $p < .01$) and the Netherlands ($\beta_{\text{PBG}} \rightarrow \text{BATT} = .123$, $p < .1$; $\beta_{\text{PBL}} \rightarrow \text{BATT} = .201$, $p < .05$). In turn, brand attitude had a strong positive effect on purchase intentions ($\beta_{\text{BATT}} \rightarrow \text{PI} = .717$, $p < .001$), resulting in significant indirect effects of both PBG and PBL on purchase intentions in Austria ($\beta_{\text{PBG}} \rightarrow \text{BATT} \rightarrow \text{PI} = .138$, $p < .05$; $\beta_{\text{PBL}} \rightarrow \text{BATT} \rightarrow \text{PI} = .198$, $p < .01$). Likewise, when it comes to the Netherlands, brand attitude also had a strong positive effect on purchase intentions ($\beta_{\text{BATT} \rightarrow \text{PI}} = .654$, $p < .001$), thus leading to indirect effects of both globalness and localness perceptions on purchase intentions ($\beta_{\text{PBG}} \rightarrow \text{BATT} \rightarrow \text{PI} = .080$, $p < .1$; $\beta_{\text{PBL}} \rightarrow \text{BATT} \rightarrow \text{PI} = .131$, $p < .05$), just as in the Austrian sample. Based on these results, hypotheses 1a and 1b are both supported.

Regarding the effects of consumers’ stereotypical associations with a brand’s COO and taking a look at the Austrian results first, we found that perceived competence exerts a positive influence on brand attitude ($\beta_{\text{COMP}} \rightarrow \text{BATT} = .167$, $p < .01$) and has an indirect effect on purchase intentions through brand attitude ($\beta_{\text{COMP} \rightarrow \text{BATT} \rightarrow \text{PI}} = .120$, $p < .01$). We also found, however, that perceived warmth has no significant effect on brand attitude and consequently also does not indirectly impact purchase intentions in Austria. In the Netherlands, neither COO associations of competence nor of warmth turned out to have a significant impact on brand attitude. Thus, hypothesis 2a is only supported for the Austrian dataset, but hypothesis 2b is supported for both. As discussed in the theoretical background earlier, the effect of perceived COO warmth was expected to be nonsignificant based on previous findings.

Finally, the model controlled for brand familiarity being a significant determinant of both brand attitude and purchase intentions in Austria ($\beta_{\text{BFAM} \rightarrow \text{BATT}} = .459$, $p < .001$; $\beta_{\text{BFAM} \rightarrow \text{PI}} = .187$, $p < .001$) and the Netherlands ($\beta_{\text{BFAM} \rightarrow \text{BATT}} = .519$, $p < .001$; $\beta_{\text{BFAM} \rightarrow \text{PI}} = .195$, $p < .05$).

In a second step, the hypothesized moderation effects were tested by running separate regressions with two-way interactions. Besides checking the statistical significance ($p < .05$) of the interaction term’s regression coefficient, we used the Johnson-Neyman technique (Johnson and Fay, 1950;
We first analyzed the hypothesized moderation effects of consumer ethnocentrism on the relationship between PBG/PBL and brand attitude (hypotheses 4a and 4b). For the Austrian sample, results showed that neither the overall interaction term was significant, nor any specific range of the consumer ethnocentrism variable rendered it a statistically significant moderator of the relationship between PBG and brand attitude. This might seem counter-intuitive, but is in line with findings by Mandler and Bartsch (2016). On the other hand, in the Netherlands the interaction term turned out to be significantly positive ($b = .127$, $p < .05$). This is somewhat surprising, because we expected consumer ethnocentrism to negatively (rather than positively) moderate the relationship between PBG and brand attitude, according to the theoretical foundations from previous literature. The conditional effect of PBG on brand attitude at three different levels of consumer ethnocentrism (mean and $+/−1$ standard deviation) in the Netherlands is depicted below.

Consequently, hypothesis 4a is not supported because the moderation effect (although statistically significant in the Netherlands) occurs in the opposite direction of what we would expect.

With regards to the relationship between PBL and brand attitude (hypothesis 4b), although the overall moderation effect of consumer ethnocentrism is not statistically significant, there are regions of significance in both the Austrian and the Dutch dataset. To be precise, consumer ethnocentrism is a statistically significant moderator in Austria when it takes values greater than 1.452 (on a 7-point scale), which is the case for 84.6% of Austrian respondents, and for values greater than 1.518 in the Netherlands, which encompasses 78.7% of responses in the Dutch sample. In both countries, the conditional effect of PBL on brand attitude increases with higher values of consumer ethnocentrism, ranging from .191 (Austria) or .161 (Netherlands) at the lowest value at which the effect becomes significant to .386 (Austria) or .458 (Netherlands) at the highest consumer ethnocentrism value in each sample. Considering that the overall interaction term remains nonsignificant for both samples, this is not sufficient to consider hypothesis 4b as supported, but further examination of this potential moderation effect might be an interesting avenue for future research.

Finally, when we examined the potential moderating effect of the degree to which a product satisfies utilitarian (hedonic) needs on the relationship between perceived COO competence (warmth) and brand attitude, the empirical evidence in our study was not indicative of a statistically significant interaction. The regression coefficients of both interaction terms were nonsignificant in Austria as well as in the Netherlands, implying that hypotheses 3a and 3b are not supported. However, applying the Johnson-Neyman technique for a more fine-grained picture of this relationship revealed that perceived utilitarian product characteristics are a statistically significant moderator of the effect of COO warmth on brand attitude at values lower than 6.144, which is the case for 56.6% of respondents in this sample. On the other hand, hedonic product characteristics are a significant moderator of the effect of COO warmth on brand attitude in Austria for hedonic values between 3.977 and 6.966, which encompasses 59.6% of observed values. No regions of significance were found for the Dutch sample.

To sum up, none of the proposed moderation hypotheses can be fully supported, strictly speaking. The fact, however, that there are at least regions of significance for some of the tested moderation effects suggests that our hypotheses are not completely far-fetched and that closer examination of the precise conditions under which the moderation effects become significant might lead to promising insights. While our findings lay the foundation for further studies, venturing into even more detailed interpretation attempts of the regions of significance and the changes in conditional effects at this point would be too data-driven and exploratory for the scope of this paper.

**Discussion**

The results of this study contribute to and extend the previous international marketing literature in several ways. First, by replicating the findings obtained by Halkias et al. (2016), who were the first to juxtapose the global/local branding and the COO literatures, our study further confirms that stereotypical perceptions of a brand’s COO exert a significant effect on brand attitude, an effect that is beyond the influence of a brand’s perceived globalness and/or localness. This conclusion is drawn from our results which showed that the perceived competence of a brand’s COO is still an important predictor of brand attitude, and ultimately, purchase intentions, even after the positive influence of brand globalness and/or localness is explicitly accounted for. This suggests that both the perceptions about a brand’s COO as well as its degree of globalness and/or localness have simultaneous and complementary effects on consumer responses. Rather than debating about whether the origin of a brand or its perceived globalness/localness is more important in shaping consumer responses, future research should increasingly focus on assessing the relative strength of each under different conditions.
Second, we conducted our study in two different countries (Austria and the Netherlands) that are relatively distant from each other in some of Hofstede’s cultural dimensions (Hofstede, 1980; Hofstede and Bond, 1988; Hofstede et al., 2010), namely when it comes to ‘masculinity’, ‘power distance’, and ‘individualism’. By obtaining comparably good model fit indices in both countries, we contribute to establishing the international and cross-cultural generalizability of the model and the relationships embedded in it.

Third, our study further confirms that judgments of a COO’s competence, but not warmth, have a significantly positive effect on brand attitudes. This is consistent with previous findings (Diamantopoulos et al., 2017; Halkias et al., 2016) and provides further evidence for the assumption that country judgments related to perceived warmth are more difficult to directly link to consumers’ evaluation of products, whereas competence-related judgments can be readily associated with a country’s ability to deliver products of high quality, and thus, exert a strong influence on brand attitude.

Fourth, our study deepens the understanding of the conditions under which the observed relationships might be reinforced. Although all of our hypotheses related to moderation effects had to be rejected, detailed analyses of regions of significance revealed that there might indeed be certain conditions under which consumer ethnocentrism and utilitarian/hedonic product characteristics might come into play as moderators. When it comes to the significantly positive moderation effect (contrary to hypothesis 4a) of consumer ethnocentrism on the relationship between PBG and brand attitude that we found in the Netherlands, one possible explanation for this outcome is that the mean and the variance are relatively low in our particular sample. As can be seen in the table in Appendix 4.2, the consumer ethnocentrism scale has the lowest mean (2.35) and standard deviation (.98) of all items in our questionnaire that were measured on 7-point scales. In fact, 89.1% of Dutch respondents scored less than the mid-point (i.e. 4.00) on this composite scale. It can be assumed that this is related to the respondents in our sample being relatively young (mean age of 24.5 years) and better educated than the general population; thus, being nonrepresentative of that population.

Limitations and Recommendations

We are able to offer the following recommendations for future research. First, there is a need to replicate the base model across a wider range of brands and within different (ideally non-European) countries to further confirm the robustness and generalizability of the study’s findings. Results of this study are based on samples from Austria and the Netherlands, two economically-developed, Western European countries. Comparisons between countries from different regions of the world should shed greater light on the relationships we examined in this study and the study by Halkias et al. (2016).

Second, the analysis of potential moderation effects remains a promising avenue for further research. Although we found no statistically significant moderation effects in our study (with one exception), further research is encouraged to identify the conditions under which the moderators examined in this study (consumer ethnocentrism and utilitarian/hedonic product characteristics) might play a significant role, as well as to discover new moderating variables such as consumer cosmopolitanism (Cannon and Yaparak, 2002; Riefler et al., 2012) or consumer xenocentrism (Balabanis and Diamantopoulos, 2016), two phenomena that have begun receiving research attention in the international marketing literature.

Third, another interesting avenue for future research is the distinction between explicit and implicit country stereotypes and their effect on brand attitude and purchase intentions. Previous research on the COO effect as well as our study have relied exclusively on explicit (self-report) measures of the two SCM dimensions of competence and warmth. However, as pointed out by Diamantopoulos et al. (2017), consumers may be unaware of their own stereotypical beliefs and may therefore not always be able to reveal their true country stereotypes through explicit (i.e. self-report) measures based on direct questioning. Thus, increased focus on nonself-report measures should enhance our understanding of the interplay between the COO effect, stereotyping, and purchase intentions in cross-cultural consumer behavior contexts.

References


Chattalas, M., and Takada, H. (2013). Warm versus competent countries: National stereotyping effects on expecta-
Appendix. Correlation Matrix

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Ronnie (Chuang Rang) Gao, Trinity Western University

Keywords: consumer attitude, ethical or competence failure, product country of origin, consumer ethnocentrism

Description: This research examines the effects of product failure type (i.e., ethical or competence) and product country of origin on consumer attitudes toward product failures.

EXTENDED ABSTRACT

Research Questions
This research examines five research questions: (1) do consumers show different attitudes toward ethical vs. competence product failure? Ethical product failure is caused by unethical product practices, whereas competence failure is caused by a company’s inability to design and/or manufacture the product as desired; (2) do consumers show different attitudes toward domestic vs. imported product failures? (3) consumer ethnocentrism (CET) affects consumers’ different reactions to domestic and imported products (Balabanis and Diamantopoulos 2004), under normal product performance conditions. Does CET still predict attitudes toward domestic or imported products, but with failures? (4) based on prior experience or firms’ communications, consumers often form an overall perception about the quality of a country’s products, i.e., the country of origin (COO) effect (Harris et al. 1994; Shimp et al. 1993). Is COO effect a comparatively stable trait factor, or a situational state factor that fluctuates dynamically in consumers’ minds? Will a one-time product failure experience change the COO effect in consumer’ mind? (5) do consumers in different countries show different levels of tolerance for product failure due to different frequencies of product failure experience?

Method and Data
In two studies (U.S. and China), the hypotheses were tested using a 2 (COO: domestic vs. imported) × 2 (failure type: ethical vs. competence) between-subject experimental design. In Study 1, participants included 112 undergraduate business students in a large U.S. university in the East Coast region (58% women; age: Mean = 21.30 years, SD = 2.19). In Study 2, participants included 109 undergraduate business students in a large Chinese university in the East Coast region (73.4% women; age: Mean = 22.04 years, SD = .82).

Summary of Findings
American and Chinese consumers show both similarities and differences in their attitudes toward product failures. The similarities include, (1) consumers in both countries show more negative attitudes toward ethical failure than toward competence failure, showing that consumers are more forgiving for competence failure; (2) no attitudinal difference exists between domestic and imported product failures; (3) CET has no effect on attitudes toward domestic products with competence failures, indicating CET has no predictive power when no foreign factors are involved; (4) CET has no effect for both domestic and imported products with ethical failures, showing that consumers, regardless of CET levels, are less forgiving for ethical failures; (5) the COO effect is dynamic and fluctuates even with a one-time product failure experience. The differences include, (1) CET predicts attitude toward imported product with competence failure among U.S. (but not Chinese) consumers. It might be due to that Chinese consumers possess lower CET level than American consumers ($F (1, 219) = 5.18, p = .024$. $M_{U.S.} = 2.17$, $M_{China} = 1.97$); (2) Chinese consumers are more
failure-tolerant, which might be due to overall lower product quality in China and Chinese consumers’ less proneness to fundamental attribution errors (Miller 1984).

**Key Contributions**
Theoretically, we contribute to the product failure literature by showing that consumers react differently to the two failure types (i.e., ethical vs. competence), indicating that they may attribute two failure types differently. We identify that product country of origin is not a factor in consumers’ failure attribution processes. We extend the scope of CET’s predictive power by finding that among American consumers CET still predicts attitude toward imported products with competence failure. We identify that the cognitive aspect of COO effect is dynamic and fluctuates even with a one-time product failure experience. We contribute to the cross-cultural consumer behavior literature by identifying that consumers’ product failure tolerance is culture-specific. Finally, with two studies in two very different cultures, the generalizability of our findings is improved.

Managerially, since consumers show more negative attitudes toward ethical failures than toward competence failures, firms should take more efforts when recovering ethical failures. When a product fails, other companies from the same home country should react proactively due to COO effect’s spillover effect. Finally, if a product fails both in the U.S. and in China, firms should make more recovery efforts in the U.S. since American consumers are less failure-tolerant.

*References are available on request.*
A Life Course Perspective of Consumer Agency: Food Practices in China, 1949–Present

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Ann Veeck, Western Michigan University
Hong Zhu, Northeast Normal University
Hongli Zhang, Jilin University

Keywords: consumer agency, life course theory, food consumption, China

EXTENDED ABSTRACT

Research Question
How does consumer agency operate within the complexities of biographical and historical periods?

Method and Data Used: 20 elder Chinese residents (born in 1940 or earlier), all of whom have lived through eras of food shortages and abundance, were interviewed on their lifelong food practices. A life grid method was used to conduct and interpret the interviews, with emphasis on how external and internal events intersect to affect food practices.

Key Contributions (Academy and Practice)
From a theoretical perspective, this research offers a conceptualization of consumer agency, founded on the tenets of life course theory. From a public policy perspective, the findings advance the call for policy makers to pursue a less individualistic and more holistic understanding of the contribution of food-related behavior to well-being. And from a managerial perspective, the findings point to the payoff in developing marketing strategies that focus on agentic, linked consumers, embedded in sociocultural contexts.

Summary of Findings
This study has three major findings: (1) Even when consumer agency is severely constrained by external factors, a sense of agency is almost never completely mitigated. (2) The main unit of consumer agency is frequently collective rather than individual, meaning that agency is often operated by and on behalf of linked lives. (3) Changes in supply across a lifetime profoundly affect consumers’ sense of agency related to consumption, with the past shaping the future.

References are available on request.
Asymmetric Effects of Supplier Hypocrisy Along Global Supply Chains: Empirical Evidence from China and Germany

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Jueolin Yin, Sun Yat’sen University
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Keywords: corporate hypocrisy, corporate reputation, boycott intention, consumer ethnocentrism, cross-cultural research, global supply chains

Description: The paper suggests a chain of blame along which the hypocritical behavior of a supplier of a firm backfires on the firm, leading to a loss of reputation and increased boycotting tendencies across two cultures.

EXTENDED ABSTRACT

Research Question
How do hypocritical suppliers influence consumer’s perceptions toward the firm that sources from it and how do those perceptions differ across consumers from Eastern and Western cultures?

Method and Data
We conducted a $2 \times 2 \times 2$ cross-cultural between-subjects experimental vignette study with $N = 448$ participants from China and Germany. We analyzed the data using regression analysis and analysis of (co-)variance (ANCOVA).

Summary of Findings
Confirming the suggested chain of blame, our results indicated that sourcing from hypocritical suppliers does damage the reputation of the firm and increases consumers’ boycott intention toward the firm, even if the firm itself does not act hypocritically. Further, the results indicated that the loss of reputation is moderated by the provenience of the consumers, such that consumers from both Western and Eastern cultures (e.g., Germany and China) are more lenient toward firms that source from hypocritical suppliers in their home country than toward those with foreign hypocritical suppliers, thereby indicating a salient preference for their home country (home-country bias).

Our analysis further indicated that firms that source from hypocritical suppliers may face severe consequences, as both consumers from a collectivistic culture (driven by their ethnocentricity tendencies) and consumers from an individualistic culture (driven by their green consumer values) increase their boycott intention toward the firm.

Key Contributions
First, we expand the commonly investigated dyadic firm–consumer relationship in hypocrisy research to a triadic supplier–firm–consumer relationship that considers the consequences of supplier hypocrisy for the reputation of the firm and consumers’ boycott intentions. We introduce a “chain of blame” that describes a backfire effect of the hypocritical behavior of the suppliers on the firm.

Second, we consider consumers’ evaluation of supplier hypocrisy from a cross-cultural perspective, suggesting that Eastern and Western consumers react differently to transgression because of different cultural orientations.

References are available on request.
Understanding Generational Complexity in International Markets: The German Case

Bjoern Bohnenkamp, Karlshochschule International University

Keyword: consumer culture, consumer identity, generation, Germany, discourse analysis, segmentation

Description: The research explains that generations are not a natural way of segmenting societies, but a complex communicative construction which differs from culture to culture.

EXTENDED ABSTRACT

Research Question
What kind of non-U.S. American generational narratives are established in the German culture, based on which discursive patterns and which communicative genres, and how are they intertwined with national history on the one hand and current consumption patterns on the other hand?

Method and Data
The study focuses on the German culture, as there has been both a long tradition in theorizing the concept of generations, but also a vivid discourse about the current status quo about generations in the 21st century. This research is based on an analysis of textual data following a hermeneutic approach. There are two different data sets which have been analyzed: First, mass media discourses in newspapers, magazines and internet media are subject to a discourse analysis; second, German novels, magazines and communities about generations are subject of a narrative analysis. Guiding questions are overarching cultural narratives involving generational identity, but also the distinctive role of consumption for specifying generational identity.

Summary of Findings
Based on the socio-psychoanalytic approach of Cornelius Castoriadis, on systems theory by Niklas Luhmann and on deconstructivist generational theory, a framework for understanding the concept of Generation in the context of marketing and consumption will be developed. Moreover, there are distinct rhetorical devices and communicative forms in the generational discourse which establish generational narratives. Furthermore, in this discourse the U.S. American logic of Babyboomers/Generation X/Generation Y seems not to be the hegemonic structure. Instead of this, the succession of a “Generation of 68,” a “Generation Golf,” and a “Generation Internship” has been the prevailing narrative. This mode of storytelling is still competing with other modes of generational storytelling which shows the fragility of this concept. Finally, German generational discourses in the past mainly referred to political experiences like war, violence or revolution, but now have been reconfigured into a mainly consumption- and work-based discourse.

Key Contributions
The major theoretical contribution is the development of a framework for understanding the concept of generations in the context of marketing and consumption and especially its communicative and narrative nature. Regarding this communicational perspective, an empirical contribution will be the discussion of rhetorical strategies of constructing generations. Regarding international markets, a better understanding of the German market as a generationally configured market will be presented.

References are available on request.
Personal Selling and Sales Management

Emerging Research: Professional Selling in an Increasingly Connected and Customer-Centric Marketplace
Selling in the New Age  
Mohsen Pourmasoudi, Michael Ahearne, Zachary Hall, Partha Krishnamurthy  
Does Digital Transformation in B2B Sales Really Pay Off? The Core Role of Selling Complexity  
Alexandru Ionut Oproiescu, Sascha Alavi, Christian Schmitz, Jan Wieseke  
Communicating the Value Proposition in Personal Selling: Cocreation of Virtual Value Experience Using Storytelling  
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Transformational Tools in Customer Acquisition: Understanding Ambivalent Effects of Salespeople’s Social Media Usage on Customer Acquisition Success  
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Between Curse and Blessing: An Empirical Analysis of the Digitally Supported Customer Advisory at the Point of Sale  
Tobias Roeding, Theresia Mennekes, Hanna Schramm-Klein  
Goods Versus Services in Price Negotiations: An Examination of Customers’ Psychological and Behavioral Responses  
Marco Schwenke, Johannes Habel, Sascha Alavi, Christian Schmitz  
Is Social Media Diminishing the Active Listening Skills of B2B Salespeople?  
John Cicala, Emily Tanner

Emerging Research: Enabling the Sales Force in Complex Markets
How Should Firms Onboard New Salespeople? The Relative Efficacy of Centralized vs. On-the-Job Training  
Phillip Wiseman, Michael Ahearne, Zachary Hall, Seshadri Tirunillai  
Multilevel Antecedents of Value-Based Selling and Performance: A Systems Theory of Motivation Perspective  
Ryan Mullins, Bulent Menguc, Nick Panagopoulos  
Nothing Can Stop Me Now: How Inside Sales Representatives’ Sales Call Success Expectancies Influence Their Behavior During B2B Interactions with Customers  
Marcel Kleifeld, Till Haumann, Christian Schmitz  
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Scott B. Friend, Kumar Rakesh Ranjan, Jeff S. Johnson  
The Role of Salespeople’s Customer Orientation in Price Negotiations  
Roland Kassemeyer, Sascha Alavi, Johannes Habel, Christian Schmitz  
A Better Way to Evaluate Outcomes in Negotiation Role Plays  
Frederik Beuk
Selling in the New Age

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Michael Ahearne, University of Houston
Zachary Hall, Texas Christian University
Partha Krishnamurthy, University of Houston

Keywords: challenging technique, digital, selling strategy, customer certainty, personal selling

Description: In this paper, we aim to assess how the information revolution and the Internet has impacted the efficiency of the currently established and widely used sales techniques.

EXTENDED ABSTRACT

Research Question
In this paper, we aim to assess how the information revolution and the Internet has impacted the efficiency of the currently established and widely used sales techniques. We argue that, due to the ease of access to information, many customers are certain about their purchase decisions at the point of sale, and we aim to evaluate the efficiency of current sales techniques with regards to these certain customers. Specifically, we ask how the interaction of customer certainty with the challenger sales technique impacts four outcomes of purchase probability, revenue, sales-interaction efficiency and customer satisfaction.

We hypothesize that customer certainty has a negative effect on the relationship between the challenger technique and four dependent variables of purchase probability, revenue, sales-interaction efficiency and customer satisfaction.

Method and Data
We collected our data in two phases. First, we did pre-study qualitative interviews to better understand important attributes of our focal product. In the second phase, we concluded our data collection by conducting an extensive field study spanning over four months and at 15 different stores. The second phase included an intensive field study in which at different times during each week, the interviewers intercepted both customers and salespeople and observed the sales interaction, collecting three distinct pieces of data: customer pre-interaction survey, customer post-interaction survey, and observational data such as records of all the products that were shown to the customer during the sales interaction.

From the customer pre-interaction survey, we assessed customer certainty. We measured the effectiveness of the challenger technique by four different outcome measures. First, we observed whether the customer purchased or not (purchase probability). Secondly, we captured the amount the customer spent (revenue). We measured selling time as the amount of time the salesperson and customer interacted from the start of the interaction to the point at which the customer decided to buy or not to buy, and we divided the “revenue” by selling time to measure selling efficiency.

Summary of Findings
We show that while salespeople, in the hope of maximizing the benefits from the sales interaction, try to expand their sell, they generate repercussions for customers that are further in their decision process. Specifically, we find that salespeople that push customers above and beyond what they are looking for, do so at the expense of hurting desirable outcomes of purchase probability, revenue, sales interaction efficiency, and customer satisfaction, especially for certain customers who are in the final stages of their decision process. The following summarizes our results:

- We find that customer certainty has a significant negative effect on the relationship between the challenger technique and purchase probability.
• We find a significant negative effect of customer certainty on the relationship between the challenger technique and revenue.

• We show that customer certainty is found to have a significant negative effect on sales interaction efficiency.

• Finally, we find that customer certainty has a significant negative effect on the relationship between the challenging technique and customer satisfaction.

**Key Contributions**

*Theoretical Contributions.* Adaptive selling suggest that salespeople should adapt their tactics and that these adaptations should be appropriate for the buyers with whom they are dealing. By identifying the consequences of a ubiquitous selling tactic, and how it interacts with customer decision-making process, we add to the stream of research on adaptive selling.

*Managerial Contributions.* Annually, about 600 billion dollars is paid to salespeople as wages in the U.S. Nevertheless, there is a paucity of research on factors that increase the sales interaction efficiency. Our research contributes to this very important, but heavily underresearched area. We show the huge impact of the interaction of customer certainty and the sales tactic adopted by the salesperson on the sales interaction efficiency. We found that, in our context, salespeople use a blanket tactic for all customers. Therefore, there is this huge loss of efficiency in sales interaction which hurts both the selling firm and their customers which can be mitigated.

In addition, we examined the effects of the above-mentioned selling tactic on three other important, and managerially significant outcomes, namely, purchase probability, revenue, and customer satisfaction.

*References are available on request.*
Does Digital Transformation in B2B Sales Really Pay Off? The Core Role of Selling Complexity

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Keywords: sales digital maturity, digitization of sales, selling complexity, sales force digitalization, sales management

Description: This paper develops a measurement for sales digital maturity and examines the contingent effects of account size and selling task complexity on the relationship between sales digital maturity and firm performance.

EXTENDED ABSTRACT

Research Question
Rapid advances in technology are elevating customer expectations and preferences for digital interactions with B2B firms. To meet these expectations and ensure competitiveness, firms invest heavily in digital sales capabilities. Despite its tremendous importance for practitioners and researchers alike, neither the concept nor the impact of a sales force’s digital maturity on firm performance is well understood thus far. Since extant works on digitalization consequences primarily focused on the individual salesperson level, in this paper, we set up to conceptualize and develop a measurement of sales digital maturity (SDM) level at the organizational level. Moreover, we seek to explore the influence of SDM on firm performance and the circumstances in which this influence is particularly powerful. Particularly, we assume that the predominant account size of the served customers and the selling task complexity have contingent effects on the relationship between SDM and firm performance.

Method and Data
To empirically assess our research question, we conducted a large-scale mail survey across several national and multinational companies and industries in a B2B context. Our study comprises 723 responses from high-ranking key informants of 723 B2B companies across a range of industries. We supplemented the primary data captured through the survey with secondary data on aspects of firm performance regarding sales revenue and profit.

In order to develop our scale for SDM, we followed established procedures advocated in the literature for scale development including four steps: First, the development of the definition for SDM; second, several phenomenological interviews to generate an initial pool of items; third, the evaluation of the initial pool of items by academic experts as well as experts in practice; fourth, several pilot surveys and in-depth interviews for the selection of the final items for the scale.

To estimate our empirical model, we employ a step-wise moderated multivariate regression analysis with an ordinary least squares estimator.

Summary of Findings
The results of the paper show that SDM on average indeed leads to a higher financial firm performance. However, in line with our theorizing, this main effect is strongly subject to contingencies from firms’ organizational context concerning the predominant account size of the served customers and the firms’ selling task complexity. More precisely, our research provides evidence for the moderating role of the
account size of served customers on the relationship between SDM and firm performance, showing that the effect of SDM on firm performance is significantly stronger if a firm’s customer base is primarily composed of small accounts. Conversely, if a firm’s customer base is primarily composed of key accounts, benefits of SDM are limited. Furthermore, our findings indicate that the positive effect of SDM on firm performance is particularly strong for firms with small accounts and a low selling task complexity.

**Key Contributions**
To date, macro or, in other words, organizational-level sales force research where the sales force as an entity is the unit of analysis is still scarce in sales research. With our results, we contribute to the academy by developing and conceptualizing a measure for SDM at an organizational level and showing that SDM really pay off. Considering contingent effects of SDM, we further contribute to a better understanding of the moderating roles of account size and selling task complexity on the relationship between SDM and firm performance.

For managerial practice, our study offers a systematic and structured approach to assess the status quo of the digital maturity within sales forces. Moreover, our findings indicate that investments in digital sales capabilities actually lead to higher firm performance. However, our results also indicate that the benefits of SDM are contingent on certain conditions related to firms’ account size and selling task complexity.

*References are available on request.*
Communicating the Value Proposition in Personal Selling: Cocreation of Virtual Value Experience Using Storytelling

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Keywords: personal selling, value communication, qualitative research

Description: We explore how storytelling is enacted in sales processes and show that sales agents and customers cocreate a story that ultimately results in a virtual value experience that fosters value-based selling.

EXTENDED ABSTRACT

Research Question
How storytelling is enacted in value-based selling processes

Method and Data
Exploratory case study of a German SME acting the industry supply sector. We accompanied managers and sales agents in situ for two years and analyzed how storytelling was enacted in business-to-business sales processes. Our data set consists of 35 official participant observations, i.e. selected management meetings, internal training workshops, and sales pitches at customers (totaling 31h 50min), eight in-depth interviews (totaling 9h 50min), 18 product and sales-training videos (totaling 1h 5min), 64 internal documents (totaling 1449 pages), and field notes of company visits and numerous informal talks with members of the organization and customers.

Key Contributions
While previous research in personal selling has considered storytelling to be narrative that is episodically told to support sales arguments, we found that stories are cocreated during buyer-seller interactions. We show practices that allow for effectively communicating a value proposition using storytelling. Further, we introduce the notion of “dramaturgical selling” to illustrate how communication in value-based selling can be more effective. We demonstrate the benefits of a practice lens in research to produce insights that are relevant for theory and practice. We show how a superior value communication capability comes into being and propose that sales managers should be knowledgeable about storytelling and elements of dramaturgical acting to foster sales force ability to perform storytelling appropriately.

Summary of Findings
The sales process can be characterized as performance in which a narrative about a problem and a valuable solution is jointly created. Sales agents use distinct practices, namely “claiming,” “presenting,” and “prompting” to make the buyer engage in cocreating the story. The jointly created story ultimately results in a virtual value experience for the customer.

References are available on request.
Transformational Tools in Customer Acquisition: Understanding Ambivalent Effects of Salespeople’s Social Media Usage on Customer Acquisition Success

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Sascha Alavi, University of Bochum
Jan Helge Guba, University of Bochum

Keywords: social media, personal selling, customer acquisition, transformational tools

Description: The core goal of this paper is to empirically explore potential positive as well as negative effects of salespeople’s social media usage on their customer acquisition success, contingent on salesperson factors derived from expectancy theory of motivation such as salespeople’s customer need satisfaction ability or need for achievement.

EXTENDED ABSTRACT

Research Question
Despite salespeople’s growing usage of social media in sales (Rodriguez, Ajjan and Peterson 2016) and despite customers’ growing doubts regarding social media exchanges (Crosby and Vidmar 2018), effects of salespeople’s social media usage on customer acquisition success remain barely understood. This paper aims to explore potential ambivalent effects of salespeople’s social media usage on salespeople’s new customer acquisition success. Building on Porter and Lawler’s (1968) expectancy theory of motivation and performance, the key research question is whether and how salespeople’s abilities and role perceptions shape the effect of social media usage on new customer acquisition success. More precisely, this paper aims to investigate potential moderating effects of (1) salespeople’s customer need satisfaction ability, (2) salespeople’s need for achievement, (3) salespeople’s perceived social media usability and (4) salespeople payment’s share of variable compensation on the linkage between social media usage and customer acquisition success.

Method and Data
To empirically test the hypotheses, the authors matched objective CRM system data from 13,218 either unsuccessfully or successfully converted potential customers with survey data of 83 salespeople who were responsible for serving these potential customers. All data have been acquired from a medium-sized company operating in a B2C insurance context. To analyze the data, the authors employed a multi-level logistical regression model.

Summary of Findings
Results show positive as well as negative effects of social media usage on customer acquisition success depending on the moderators proposed by the authors’ conceptual model. In line with the authors’ proposition, salespeople’s customer need satisfaction ability positively affects the relationship between social media usage and customer acquisition success. Interestingly, social media usage may exert a negative effect on customer acquisition success for high levels of salespeople’s need for achievement.

Key Contributions
With their results, the authors contribute to sales research focusing on the implementation of social media in sales. The authors complement extant research by demonstrating that the effect of salespeople’s social media usage on their new customer acquisition success fundamentally depends on contingency factors derived from expectancy theory of motivation and performance (Porter and Lawler 1968). In this respect, the
authors’ results are novel for sales and marketing research as they can verify potential harmful effects of salespeople’s social media usage which have not been previously discussed.

For salespeople and sales managers, the authors’ research implies that social media can be a powerful tool to acquire new customers, however, only given the appropriate application. That is, salespeople who apply social media effectively may outperform their colleagues who misapply social media by 14% in customer conversion likelihood.

References are available on request.
Between Curse and Blessing: An Empirical Analysis of the Digitally Supported Customer Advisory at the Point of Sale

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Hanna Schramm-Klein, University of Siegen

Keywords: retail, digital, POS-Technologies, advisory

EXTENDED ABSTRACT

Research Question
RQ1: What salespersons’ skills affect the evaluation of digitally supported advisory at the point of sale from customers’ side?

RQ2: What influence has the retail size on the perception of digitally supported advisory?

Method and Data
The main survey was conducted at a global retailer for furniture and a small shoe-retailer. For answering the hypotheses several ANOVAs were conducted.

Summary of Findings
The findings indicate that traditional advisory is still a relevant factor with the customer–advisor relationship, and that especially small retailer should not feel pressured to keep up with the global retail chains, when it comes to a digitally supported advisory. The identified disadvantage with respect to the used constructs is highly significant with respect to the digitally supported advisory. Within the traditional advisory small retailers still have an advantage when it comes to the used constructs.

Key Contributions
With respect to the used dependent constructs perceived knowledge, advisory capacity, communication ability and likability the study suggests that especially small retailer have an overall advantage in advisory without technological support. However, global retail chains show highly stronger means in digitally supported advisory.

The growing multiplicity of technologies that can be used at the point of sale (POS) offers new avenues and creates new challenges for digitally supported advisory service. In this environment of developing technologies, the role of frontline employee competences is newly defined and needs further empirical investigation. In particular, it is of interest how digitally supported advisory service at the POS affects the customer’s evaluation of the advisory competences. In detail, our paper suggests two relevant levels (information- and interpersonal-oriented advisory) as decisive factors to evaluate the specific competence of an advisory service. Furthermore, differences across independent retailer and retail chain stores should be considered. The corresponding research questions were formulated as follows:

RQ1: What salespersons’ skills affect the evaluation of digitally supported advisory at the Point of Sale from customers’ side?

RQ2: What influence has the retail size on the perception of digitally supported advisory?

To answer these questions, an online experiment (Study 1 N = 597) and a traditional retail environment field study at a global retailer for furniture and a small shoe retailer (Study...
were conducted. Both studies were designed as a 2 (traditional vs. digitally supported advisory service) × 2 (small stationary retailer vs. global retail chain) between-subject experiment. To answer the research questions several ANOVAs were conducted.

The main contribution of this paper can be seen in a differentiated perception of advisory services’ competence. With respect to the used dependent constructs perceived knowledge and advisory capacity (information-orientated level) as well as communication ability and likability (interpersonal-orientated level), we found that especially small retailer have an overall advantage in advisory without technological support. However, customers’ perception of the overall competence of an advisory is significantly more positive in a global retail chain when digital support is included. In addition, the online survey shows that in a global chain, compared to a small stationary retailer, the mere presence of such a technology leads to a significantly higher perception of competence in advisory service.

In summary, the findings indicate that traditional advisory is still a relevant factor in the customer-advisor-relationship and that especially small retailers should carefully evaluate how to keep up with the global retail chains, when it comes to a digitally supported advisory. The identified disadvantage for small retailers regarding the used constructs (perceived knowledge, advisory capacity, communication ability and likability) is highly significant with respect to the digitally supported advisory. Within the traditional advisory, small retailer still have an advantage when it comes to information- and interpersonal-oriented advisory.

References are available on request.
Goods Versus Services in Price Negotiations: An Examination of Customers’ Psychological and Behavioral Responses

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Keywords: price negotiations, goods versus services, perceived risk, personal selling

Description: Using four negotiation simulations with approximately 700 participants across different B2C industries, the authors (1) show that customers negotiate tougher when buying services than when buying goods, (2) ascribe this elevated level of negotiation toughness to customers’ perception of higher risk in a service context, and (3) provide useful insights for salespeople and managers on how to improve price enforcement for services.

EXTENDED ABSTRACT

Research Question
Due to the growing importance of services for business and retail markets, marketing research has examined the divergent effects of goods versus services on customers’ perceptions and behaviors. Adding to this literature and given the high theoretical and practical relevance, this study is the first to empirically examine the effect of a good versus service negotiation on a customer’s negotiation behavior, psychological mechanisms and boundary conditions.

Method and Data
We performed four studies, computed single factor variance analyses, and estimated structural equation models: In Studies 1 and 2, we conducted negotiation simulations with 349 participants and offers on comparable value and performance levels to examine the overall effect of goods versus services on a customer’s negotiation behavior. We also tested a customer’s perceived risk as a mediator of the direct effect. To validate the theoretical mechanism underlying our previous results, Study 3 is a negotiation simulation with 188 participants that manipulated a customer’s risk salience. In Study 4, we conducted a negotiation simulation with 160 participants to examine how the inclusion of a money-back guarantee moderates the effect of good versus service on a customer’s perceived risk and negotiation behavior.

Summary of Findings
Our findings suggest that a service negotiation increases a customer’s negotiation toughness, potentially leading to lower prices the customer pays. We explain this effect through a customer’s risk perception, clarifying that the role of goods versus services in price negotiations may be understood in terms of perceived risk theory (Bauer 1960; Cox 1967) and aspiration level theory (Siegel and Fouraker 1960). In this respect, our findings contribute to the search for explanations as to why companies fail to implement their servitization strategies successfully (e.g., Baveja, Gilbert, and Ledingham 2004; Stanley and Wojcik 2005).

Key Contributions
For managers and salespeople of negotiation-intensive retail businesses, our study provides guidance on how to improve price enforcement. In particular, salespeople in a service
selling context are well advised to take customers’ risk perception into account. In detail, salespeople should take risk-reducing actions for customers, such as offering detailed information concerning the offered services. Additionally, managers can support salespeople through the implementation of service quality guarantees.

References are available on request.
Is Social Media Diminishing the Active Listening Skills of B2B Salespeople?

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Emily Tanner, West Virginia University

Keywords: active listening skills, social media, empathy, salesperson behavior

Description: This proposed research examines the impact of social media usage by B2B salespeople on their active listening skills.

EXTENDED ABSTRACT

Research Question
The goal of this paper is to examine if the increasing use and potential dependency of social media by salespeople is diminishing their ability to engage in active listening with established and prospective customers. Social media is primarily a visual and scripted means of communication. It does not require auditory abilities of its users (sellers or buyers). This paper proposes that as B2B salespeople increase their usage of, and reliance on, social media as a means of conducting business with customers, they will lose the ability to engage in active listening with prospective and established customers. As a result, inability to actively listen to customers risks weakening salesperson performance and value to the employing organization.

Key Contributions
The primary contribution of this research to the existing sales literature is understanding the impact of an increasingly prevalent means of communication between salespeople and buyers (social media) on a crucial skill for salespeople (active listening).

There is high potential for direct managerial application of the study’s results in making managers aware of a potentially harmful side effect of overdependence on the part of their sales force on using social media as a communication tool. It is further hoped that recommendations will be drawn from the study that will aid sales managers in countering and avoiding any detrimental effects on salesperson listening skills attributable to their use of social media to communicate with their customers and clients.

References are available on request.

For further information contact: John Cicala, Associate Professor, Texas A&M University–Kingsville (john.cicala@tamuk.edu).
How Should Firms Onboard New Salespeople? The Relative Efficacy of Centralized vs. On-the-Job Training

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Keywords: salesperson training, salesperson onboarding, salesperson coaching, span of control, salesperson performance

Description: This research examines whether it is better to onboard newly hired salespeople through centralized training centers or through on-the-job training within the salesperson's district and identifies the sales manager's span of control as an important boundary condition that has strong implications for the efficacy of on-the-job training.

EXTENDED ABSTRACT

Research Question
A review of the sales literature suggests an increasing interest in sales training (e.g., Cron et al. 2005; Lassk et al. 2012), but there is a limited number of studies that have considered the impact of the initial training of salespeople (i.e., onboarding) and to the best of our knowledge, no prior study has considered the differential impacts of centralized training compared to on-the-job training of newly hired salespeople. Considering this, we ask two questions: (1) Whether it is better to conduct the onboarding of newly hired salespeople through centralized training or on-the-job training? (2) Whether the decision to do so should be influenced by a sales manager’s ability to be involved in both the onboarding and early development of those newly hired salespeople who report to him?

Method and Data
We report the results of a quasi-experiment that resulted from the participating firm’s decision to provide their newly hired salespeople with the option to undergo onboarding either within a regional training center or within their respective sales districts. The data was collected from a national retailer in the United States that sells durable goods in stores. The study period spans 18 months and includes a cohort of salespeople who were hired during the first 11 months of the study period, which represents the period in which the firm openly offered the centralized training program to new hires. The analysis is conducted at the salesperson-level using salesperson-time observations. We employ a control function approach (sometimes referred to as two-stage residual inclusion) in order to address the endogenous nature of the centralized training dummy variable.

Summary of Findings
The results of our analysis suggest that on-the-job training has a more positive influence on salesperson performance than centralized training. Furthermore, our results suggest that this benefit is a product of on-the-job-trained salespeople ramping up their performance at a faster rate than centrally trained salespeople. We also find that a wider manager span of control has a negative influence on salesperson performance for those salespeople who undergo on-the-job training. However, the negative influence of a wider manager span of control on these salespeople diminishes over time, pointing to the importance of a sales manager being able to coach these salespeople both during and soon after their onboarding within the sales manager’s district. Interestingly, we find that a wider manager span of control has an initial positive influence on performance for salespeople who undergo centralized training, but that this initial
positive influence diminishes over time, suggesting that centrally trained salespeople may benefit from being given greater latitude by their sales managers in the time soon after their onboarding within a regional training center.

**Key Contributions**

This study makes several contributions to both theory and practice. First, to the best of our knowledge, no other study has assessed the relative efficacy of centralized training and on-the-job training in relation to the onboarding of newly hired salespeople. Second, this study identifies the moderating role that a manager’s span of control has on the efficacy of the type of onboarding program (i.e. centralized training or on-the-job training) received by a newly hired salesperson, in terms of individual performance and growth. By linking a sales manager’s span of control to salesperson performance in the context of salesperson socialization, this study provides further support for the managerial perspective that span of control is an important variable to consider in decisions related to the design of management structures within sales organizations. Third, this study builds upon extant theory in organizational socialization that considers the influence of institutionalized and individualized socialization tactics in terms of the types of role orientations (i.e. custodial and innovative) they yield (e.g. Jones 1986; Allen and Meyer 1990) and the relative value of each by identifying an occupational context (i.e. sales) in which engendering an innovative role orientation yields greater benefits.

*References are available on request.*
Multilevel Antecedents of Value-Based Selling and Performance: A Systems Theory of Motivation Perspective

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Keywords: value-based selling, systems theory, sales teams, customers’ adoption of new products, sales performance, multilevel, motivation

EXTENDED ABSTRACT

Research Question
In business markets, the focus of sales activity has shifted from presenting feature-benefit propositions to crafting more quantifiable value-based offerings. However, evidence suggests that sales leaders often struggle to motivate their sales teams to adopt the processes and behaviors needed for executing this approach—called value-based selling (VBS). Given the limited research on VBS, and evidence that top-down initiatives fail to drive VBS behavior, there is a need for understanding the individual and team-level motivations that could drive improved VBS implementation.

Method and Data
We tested our model using lagged, multisource (i.e., salesperson, manager, and archival) data gathered from the sales force of a large, U.S.-based manufacturing and services provider. This context was particularly suited to support our model focus given the focal firm’s sales force recently underwent a sales process training to enable salespeople for quantifying their value propositions when visiting customers. Model results were tested using a sample of 422 salespeople nested within 70 sales teams.

Summary of Findings
We identify a framework of individual factors (promotion focus, prevention focus, managerial empowering behaviors, customer empowering behaviors) that motivate VBS. Furthermore, we uncover a team factor (sales team monitoring) that acts as a boundary condition for each of these motivational drives. Our model also lays out and tests the multilevel motivational processes that occur as a result of these inputs, resulting in greater explanatory power of customers’ adoption of new products, as well as greater sales performance at the individual and team levels.

Key Contributions
In light of the dearth of research on motivation for VBS, we propose and test a comprehensive framework for understanding what drives VBS that includes external, managerial, and internal sources of motivation while accounting for contextual influences occurring at the team level. By identifying this broader set of motivational sources, we help sales leaders pinpoint avenues to improve VBS adoption in the sales force.

We broaden the performance outcomes of VBS beyond self-reported performance by linking VBS with customers’ adoption of new products.

Despite calls for research to consider the dynamic interplay between salesperson and sales team processes, previous multilevel studies in sales have not provided a cohesive theory to build on. We introduce the systems theory of motivation to the marketing and sales literature to illustrate the parallel motivational processes occurring at the team and individual levels, and guide future research in this domain.

References are available on request.

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Nothing Can Stop Me Now: How Inside Sales Representatives’ Sales Call Success Expectancies Influence Their Behavior During B2B Interactions with Customers

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Keywords: sales call success expectancy, resource allocation, salesperson-customer interaction, salesperson performance, inside sales

Description: The study focuses on B2B interactions between inside sales representatives and their customers and shows the importance of sales call success expectancy as a substantial driver for salespeople’s interaction-based effort allocation and performance.

EXTENDED ABSTRACT

Research Question
One of inside sales representatives’ main challenges is to allocate effort across their sales calls. Given their high amount of daily interactions with customers and resulting limited time and resources, inside salespeople have to allocate their resources to ensure efficient sales calls. Research has covered determinants of salesperson resource allocation and has focused on general expectancies on performance regarding a task domain. However, researchers have largely ignored the role of sales call success expectancy—salespeople’s subjective evaluation of the probability of the upcoming success regarding a specific sales interaction. Thus, the process of how salespersons’ expectancies of sales call success influence their allocation and performance remains largely unclear.

The authors build on expectancy theory to develop a theoretical framework that helps to explore resource-based consequences of sales call success expectancy and to answer the overarching research question: How and under which circumstances do salespersons’ sales call success expectancies influence their effort allocation to sales calls and their sales call success? In doing so, the authors focus on two important effort dimensions: salespersons’ time allocation, which reflects the quantity dimension of effort, and salespersons’ individualized customer need consideration, which reflects the intensity dimension of effort.

Method and Data
Addressing the research question, the authors collected a large multilevel data set from a global Fortune 500 logistics company in the B2B sector and focused on interactions between inside sales representatives and their customers. Inside sales representatives of the B2B logistic company interact remotely with customers and face high amounts of daily interactions.

The multilevel data set comprises information from three different data sources (inside sales representatives, customers, and objective firm data). Interactions between customers and inside salespeople are nested within inside salespeople. Therefore, the authors employed a multilevel path modeling approach to test their hypotheses.

Summary of Findings
Results support the hypotheses that sales call success expectancy is important for the allocation of effort across sales calls and thus for sales call success. Specifically,
results show a positive effect of sales call success expectan-
cies on the quantity dimension of effort, reflected in the time
allocated to a sales call, which in turn positively affects their
performance.

Furthermore, findings suggest that the relationship between
sales call success expectancy and performance via the inten-
sity dimension of effort, represented by sales representa-
tives’ individualized customer need consideration, is much
more complex as it depends on two important moderators,
i.e. the customer type (prospect vs. existing) and sales repre-
sentatives’ customer orientation.

**Key Contributions**
The study contributes to research on personal selling and
sales management in several ways. First, the study follows
the call of previous research to provide deeper insights into
the inside sales function. Specifically, it focuses on one of
the core challenges inside sales representatives face in sell-
ing to a large customer base and provides insights how
inside sales representatives allocate effort to sales inter-
actions and how these effort investments influence their per-
formance.

Furthermore, the study contributes to research on the conse-
quences of salespersons’ expectancies. Specifically, the
study extends previous research on expectancy theory in per-
sonal selling and sales management by investigating success
expectancies of specific sales interactions thereby providing
first insights into the role of success expectancies in allocat-
ing effort across sales interactions and its performance con-
sequences.

Moreover, the study contributes to research on working hard
and working smart behaviors of salespeople by showing
how situational factors of the sales interaction may affect
both selling hard (i.e., time allocation) and smart behaviors
(i.e., individualized customer need consideration).

*References are available on request.*
Fail Fast, Sell Well: The Contingent Impact of Failing Fast on Salesperson Performance

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Keywords: sales failure, sales performance, failing fast, business-to-business sales

Description: Failing fast is exiting a sales opportunity early when appropriate, and results from this study demonstrate that (a) certain forms of failure may not be a detriment to sales performance and (b) individual- and organizational-level variables moderate the effect.

EXTENDED ABSTRACT

Research Question
The objectives of this research are threefold. First, we seek to establish the concept of salesperson failing fast to provide a granular understanding of this tactic. This development can provide improvements to the current conceptualization and comprehension of the failure phenomenon. Second, using the theoretical framework of sensemaking, we operationalize the salesperson failing fast construct along with its processual predictors. A failing fast process model for sales is in turn explored, consisting of prospect intent collection, prospect intent interpretation, and salesperson failing fast. Third, we examine the performance implications of salesperson failing fast, while also testing a set of contextual conditions that may influence the efficacy of failing fast at the individual-level (customer orientation), organizational-level (role autonomy), and environmental-level (customer demandingness).

Method and Data
A professional data collection organization invited full-time B2B salespeople from the U.S. to participate in this research. A total of 1,714 potential respondents accessed the survey. After filtering out participants not meeting inclusion criteria, 297 surveys were completed. Our moderating and dependent variables were all adapted from existing scales in the literature. New scales were developed for failing fast—i.e., prospect intent collection, prospect intent interpretation, salesperson failing fast—following established scale-development procedures. Salesperson experience, firm size, and industry type were included as controls to account for variance in the endogenous variables, as well as the dependent variable of salesperson performance. All construct were reliable, the measurement model fit the data reasonably well, and constructs showed both convergent and discriminant validity. We used the Unmeasured Latent Method Factor technique to account of CMV. To extract CMV, we included a common factor in a CFA model, with each item loading to its construct as well as the common method factor. Subsequent to this process, latent variable scores were extracted and utilized to assess the structural model. Interaction terms were calculated as the product of the latent variable scores to examine the hypothesized interactions.

Summary of Findings
We hypothesized that prospect intent collection increases prospect intent interpretation (H1a) and that prospect intent interpretation increases salesperson failing fast (H1b). Both H1a ($\beta = .64 \ p < .05$) and H1b ($\beta = .35 \ p < .05$) are supported. H2 predicted a positive main effect of salesperson failing fast on sales performance, however it was not supported as the relationship was non-significant ($\beta = .01 \ p > .05$). The hypothesized accentuating moderating effect of customer orientation on the failing fast–sales performance relationship was significant ($\beta = .15 \ p < .05$) in support of...
H3. Additionally, the attenuating moderating effect of role autonomy on the failing fast–sales performance relationship predicted in H4 was also supported ($\beta = -.18 \ p < .05$). Lastly, H5’s hypothesized accentuating moderating effect of customer demandingness on the failing fast–sales performance association was not supported ($\beta = -.04 \ p > .05$).

**Key Contributions**

Given the high prevalence and potential adverse impact of failure within sales, we highlight three contributions of this study. First, the conceptualization of failing fast broadens and deepens the current literature on sales failure by linking it with sensemaking research. The subsequent operationalization opens avenues for integrating failure analysis with survey-based variables so future researchers can capture the attitudes and orientations of relevant stakeholders that drive, moderate, and/or are affected by sales failure. The second contribution of our research stems from the non-significant effect of failing fast on sales performance. We challenge the traditional notion linking salesperson failure and inadequate performance, advancing the notion of intelligent failure. This non-significant finding is also theoretically relevant to a stream of literature built upon assigning appropriate attributions to failure in order to adjust behaviors and mitigate adverse effects, as well as research that depicts a potential dark side to salesperson persistence. The third contribution stems from the examination of contingencies that shape the failing fast to performance relationship. Consistent with established performance and failure frameworks, variables operating at the individual-level (customer orientation) and the organizational-level (role autonomy) interact with failing fast when predicting sales performance.

*References are available on request.*
The Role of Salespeople’s Customer Orientation in Price Negotiations

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Keywords: salespeople’s customer orientation, price negotiations, sales management, sales controls, personal selling

Description: This paper seeks to understand whether salespeople’s customer orientation, which generally is recognized as a key success factor by practice and research, has positive or negative consequences in price negotiations and how its effects on negotiation toughness and discount depend on supervisory-based and compensation-based controls.

EXTENDED ABSTRACT

Research Question
Should sales managers promote or inhibit their salespeople in their customer orientation in price negotiations?

Method and Data
Multilevel path and structural equation modeling analyses of three studies comprising multiple-source data of overall 647 salespeople, corresponding objective data, and 249 salesperson–customer interactions.

Summary of Findings
Salespeople’s customer orientation has detrimental consequences in price negotiations if it is not effectively regulated by sales controls. Specifically, if companies delegate high levels of autonomy to their salespeople or not adequately align salespeople’s compensation to profit, customer-oriented salespeople are overly compromising in price negotiations and thereby grant excessive discounts which harm the immediate profit of the company.

Key Contributions
First, findings of this study contribute to literature on customer orientation by investigating its consequences in price negotiations. Whereas practice and research conceive customer orientation as a key success factor in personal selling (e.g., Grizzle et al. 2009), findings of this study reveal that highly customer oriented salespeople tend to be overly compromising in price negotiations and, thus, reduce company profit if sales controls are not implemented appropriately.

Second, this study adds to research on the consequences of salespeople’s customer orientation on financial sales performance. It offers a possible explanation for the non-significant effect of salespeople’s customer orientation on financial sales performance (Franke and Park 2006, Plouffe et al. 2009) by showing that the positive consequences of salespeople’s customer orientation may be countervailed by its negative consequences in price negotiations.

Third, findings of this study add to research on sales controls by considering the interplay between sales controls and salesperson characteristics. Extant research suggests that a lack of sales controls tends to harm salespeople’s price enforcement as they may choose to take the “path of least resistance” (e.g., Stephenson, Cron, and Frazier 1979, p. 26). However, findings of this study show that this effect is not universally true and most likely depends on individual salesperson characteristics.

References are available on request.
A Better Way to Evaluate Outcomes in Negotiation Role Plays

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Keywords: negotiation role plays, negotiation pedagogy, grading, Elo-rating

Description: This study describes and tests a method to rate the strength of negotiators and predict negotiation outcomes based on prior negotiation performance, inspired by the Elo-method that is used in chess competitions.

EXTENDED ABSTRACT

Based on the Elo-rating method for chess, we propose and test a method to rate negotiation performance on multiple negotiation role plays. We first calibrate the method with a small MBA class to qualitatively assess student response, and then retroactively apply the method on five undergraduate classes with a combined enrollment of 107 students. In total, we evaluate 192 dyadic negotiations resulting in 384 individual negotiation outcomes. We find that after calibration with just four negotiation exercises, the negotiation rating system predicts 73% of the negotiation outcomes correctly. Also, predictions are more accurate when the rating differential between students is larger, and the final rating students obtained is significantly correlated with the final grade that students earned in the class, even though the performance on negotiation exercises was not a graded component. Finally, we confirm a known-group difference by demonstrating that female students score significantly lower on the negotiation performance rating.

Research Question

Central to this research is the question of whether it is possible to design a measure of underlying negotiator strength that, given sufficient training, predicts negotiation outcomes for integrative and distributive negotiations. We develop and test three hypotheses. The first one assesses usefulness of the measure, the second assesses convergent validity, and the third replicates a known-group difference.

H1: The rating scale predicts negotiation outcomes better than chance.

H2: The final negotiator rating is positively correlated with the course grade.

H3: Females score lower than males on the negotiator rating scale.

Method and Data

The practicality of the rating system was tested with a small MBA class of 16 students. To create noticeable differences with only a limited number of exercises, we opted for a K-factor of 100 for the negotiation rating.

We retroactively performed an analysis on five classes of traditional undergraduate negotiation students, with a total enrollment of 107 students (35% female). Four different exercises that are part of the Lewicki et al. (2015) pack were rated, resulting in 192 two-party negotiations or 384 individual negotiation outcomes.

Summary of Findings

After the first negotiation, the rating system’s predictive performance is 49%, i.e. not significantly different from chance ($t_{48} = -0.141, p = 0.89$). After the second negotiation, predictive performance improves to 57% ($t_{50} = 0.980, p = 0.33$). After the third exercise, predictive performance again improves to 73%, significantly better than chance ($t_{44} = 3.5, p < 0.01$). For the three rounds combined, the absolute rating distance between two parties is positively correlated with prediction accuracy ($r = 0.163, p = 0.05$), suggesting that for larger differences in rating, the system performs better at predicting the actual winner.

To test hypothesis 2, we investigate whether the correlation between the rating and course grade are significant and improving. For the first and second exercise the correlation is

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non-existing, $r_1 = 0.04, p = 0.68, r_2 = 0.06, p = 0.56$. After the results of the third and fourth exercise are incorporated in the negotiator rating, a moderate correlation with the final grade for the class emerges, $r_3 = 0.32, p < 0.01; r_4 = 0.30, p < 0.01$.

In line with hypothesis 3, for all but the first exercise the male students obtained significantly higher ratings than women $F_{(1,96)} = 4.47 - 5.17, p < 0.04$. Moreover, prediction accuracy was not different based on gender, $t_{(65.16)} = -1.05, p = 0.30$.

Key Contributions
The negotiator rating approach is the first approach that incorporates an element of risk in the form of a grade-like outcome. It provides a reward for above average collaborative behavior over pure competitive behavior, and controls for the strength of the negotiation partner.

For researchers, the negotiator rating can be used as a control for research focusing on other elements, such as concern for the relationship or satisfaction with the process. It can also serve as a dependent variable, e.g., when investigating character traits and their relationship to negotiation performance. Importantly, when based on enough exercises that cover a sufficiently broad set of negotiation skills, using the negotiation rating allows for the comparison of findings that resulted from somewhat different experimental conditions, even if there is limited interaction between the populations in which these ratings were obtained.

For instructors, the negotiator rating can help keep students accountable over multiple negotiation exercises while maintaining student motivation. A rating-based negotiation system can also be used as a facilitator of negotiation competitions. In this context, it should be noted that the introduction of the Elo-rating for chess has been described as the single most important contributor to the popularization of tournament chess.

References are available on request.
Institutional and Cultural Complexity

**Rethinking Agency and Contesting Market Relations**

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Recognizing the Complex Relations Among Modernity, the Market, and Marketing

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Keywords: the market, marketing, institutionalization, contradiction, modern culture, modernity.

EXTENDED ABSTRACT

I intend to illustrate that modern marketing is an institution that has increasingly adopted practices contrary to the ideals of the modern market as conceptualized by the original architects of modern economic thought. Specifically, greater emphasis on relationship marketing (RM) and the service dominant logic (SDL) have played a role in the distancing of marketing practices from the early ideals of the market. This is not to judge whether it is good or bad, but to recognize this historical circumstance in order to understand where we are. Only then we can make judgements regarding what perspective to take.

The principal architects of the idea of the modern market are the classical economists, including Adam Smith (1979/1776), David Ricardo (1817), John Stuart Mill (2015), and Jean-Baptiste Say (2017/1843). Economics as a discipline developed during the relatively early stages of modernity the beginnings of which is considered to be in the Enlightenment (Harvey, 1989). It appeared as the discipline that studied one of the three key practical domains of modernity—the political, the social, and the economic—resulting from modern culture’s eventual separation into domains. All leaders of social disciplines trying to develop the key principles of modern culture to accomplish its key ideal—to control nature and produce the grand future society through scientific knowledge to emancipate all individual human beings from all forms of oppression, whether from nature or from other humans, to follow their own individual free wills to fulfill the potential of each (Angus, 1989)—sought to establish principles and institutions to help this vision to occur.

Possibly inspired by institutions such as the bazaar and the agora, where interactions beyond economic exchanges also took place, modern classical economists who essentially observed such institutions as ‘marketplaces’ developed their theories regarding the economic principle and the institution through which it would be exercised. When the idea of meeting to exchange resources in marketplaces was principally extended to the abstract concept of ‘the market’, where exchanges could take place not only among people who knew each other or inhabited the same localities but among those who never knew each other beyond the moment of exchange, modern economists saw a principle that would free people who exchanged with each other from any obligation to each other once they exchanged resources. The seller need not know the hardships the buyer had to endure to get the resource s/he exchanged and the buyer need not know the hardships the seller went through to obtain or produce what s/he exchanged. Once the exchange was made, neither party would have any obligations toward the other, thus feel no pressure to think of anything else but one’s own will as family, among others such as public education, is the premier institution for the exercise of civility in the social domain. These principles and institutions were envisioned as ways of providing the foundations for emancipating human individuals from all oppression and obligations in order to free them to equally participate in social and political choices made and, thus, become able to act solely on the basis of their own will, hopefully informed by scientific knowledge, as citizens. Modernist thinkers concentrating on the economic domain were also keen to discover principles and institutions that would accomplish the same in the economic domain.

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s/he made decisions about life. The only concern for the parties in exchange would then be receiving the equivalent of the economic value that s/he paid for the exchange. Thus, economic value became the core principle of the economic domain, because its equalization in exchanges would assure efficiency of allocation of material resources as well as maximize market and economic growth, and the market became the modern institution through which the principle would be practiced in the economic domain, as well as the institution where free exchanges would take place and free the parties involved in exchange to pursue only their own free wills.

Marketing practices evolved to facilitate exchanges and bring buyers and sellers together. Yet, inherent in the development of marketing skills were traits that could thwart the original aims in the development of the modern concept of the market. Indeed, marketers could use these skills to promote long-term relationships with buyers to assure longevity of their existence, rather than simply facilitate one-time exchanges. These inherent traits became trends as marketing developed, producing the currently highly popular practices of RM and the SDL, encouraging long term relationships and loyalties, which reintroduce obligations to seller-buyer transactions.

Concepts that have become popular, such as coproduction, as a result of the development of RM and SDL witness the growth of marketing practices that are contradictory to the original intentions underlying the construction of the modern market. Recognizing this condition, the tension (Benton 1987; Cochoy, 1998), we can investigate both the rationality and the legitimacy of the market and of marketing to gain further insight into the contemporary human condition.

References are available on request.
The (Re)Structuration of Consumers’ Actions into Sustainable Routines: Sustainability as a Byproduct of Structure and Agency

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Keywords: sustainable consumption, sustainable routines, structuration theory, sustainability, tiny house, Tiny House Movement

EXTENDED ABSTRACT

In this study, we use data from depth interviews of 50 tiny house owners to explore how the interplay between structure and agency reproduces and transforms unsustainable practices into sustainable routines, showing that through routines, sustainable consumption becomes a byproduct of consumers’ structure and agency.

Sustainability as a routine must fit into my daily life. It cannot add to it. It cannot force me to change. I definitely don’t wanna think about it. I think businesses think I will just easily change my ways for a sustainable product; however, why would I if it costs more, if it is harder to find, and especially if it disrupts my daily life? (Christian, age 33)

This study will use one of the original practice theories, structuration theory (Giddens 1984), to understand how some of the most sustainable consumers, tiny house owners (Mitchell 2009, 2014), turn their unsustainable practices into everyday sustainable routines. Routines are a part of people’s everyday life (Shove 2004). Unless they are disrupted, they “form the rhythm of everyday life, making people feel secure” (Phipps and Ozanne 2017, p. 361). Researchers argue that if we can turn practices into sustainable routines, consumers will maintain those sustainable practices (Brand 2010; Jackson 2005; Wahlen 2011). As the opening quote by Christian illustrates, consumers do not want to think about sustainability; however, no research yet has explored how sustainable consumers changed their unsustainable practices into sustainable routines.

Research Question

Our study explores these questions:

1. How do unsustainable actions lead to everyday sustainable routines?
2. How does the interplay between consumers’ agency and structural systems produce and reinforce the production, reproduction, and transformation of sustainable consumption routines and eventual social systems?

To explore our research questions, we interviewed 50 tiny house owners (Mitchell 2009, 2014). Through ethnographic methods (Fetterman 2010), we investigate tiny house owners living their everyday lives in houses (roughly under 400 square feet) (Sparshott 2016). Identified as some of the most sustainable consumers, many tiny house owners dispose of over 75 percent of their material possessions (Mitchell 2009, 2014). Sustainable consumption becomes a byproduct of their transformed routines and everyday lives. We use Giddens’ (1984) theory of structuration to study this phenomenon. To mixed findings, researchers have attempted to encourage consumers to act sustainably. In our study, we argue that consumers have more success acting sustainably when it becomes a byproduct of their everyday routines or a consequence of their structure and agency. Sustainable con-
consumption does not just derive from a change in the personal behaviors of consumers; it also derives from their interactions in society.

**Method and Data**
We chose tiny house owners as participants. The purpose of selecting tiny house owners is that they are as some of the most sustainable consumers (Mitchell 2009, 2014). They perform many sustainable actions. During their move into their tiny houses, many owners disposed of over 75 percent of their possessions, leading to restructuring sustainable routines of minimal consumption. The 50 semi-structured depth interviews ranged from 25 to 90 minutes, with an average length of approximately 55 minutes. Thirty-three participants are females, while 17 are males. Participants’ ages range from 18 to 64, with an average age of 42.4.

We analyzed the data using an emergent qualitative approach (Campbell and Lassiter 2015), which “allows for analytical categories and themes to emerge, evolve, and expand” (Saatiocoglu and Corus 2014, p. 125) to help identify and dissect the interplay (agency) between actors and social structures (Giddens 1984). We focused our analysis based on our two research questions. Through the first reading of each transcript and observation note, we coded the transcripts. Next, we analyzed, combined, and synthesized the codes to develop emergent themes (Bazeley 2013). Finally, we synthesized the themes to understand how the sustainable actions of our participants transformed into routines.

**Summary of Findings**
We analyze the transformed everyday sustainable practices of tiny house owners. There is a duality of structure and agency: the tiny house restructures their actions to reproduce sustainable routines, while concurrently, their everyday routines reinforce their sustainable actions. Five themes emerged that define this process.

**Discursive Evaluation**
We define discursive evaluation as the conscious and mental assessment consumers go through when evaluating their actions. As these consumers spoke about their process of changing their social systems to include sustainable consumption practices and eventual sustainable routines, they discursively spoke about an evaluation they first did in their lives.

**Institutional Interaction**
Through interaction with the rules and resources of their macrolevel social structures and marketplace environment, consumers reproduced a change and evaluated that change. Participants used their practical consciousness to voluntarily react to their surroundings. They reproduced their actions and social structures from unsustainable to sustainable. They used their stock of knowledge to interpret—and react to—the actions in their own lives and to their interactions with others.

**Routinized Legitimacy**
Through their evaluations, their interactions with society, and their sustainable practices becoming more mundane, the sustainable practices of our participants are legitimized and reinforced, transforming into sustainable routines. Their sustainable actions became legitimized through their individual decisions and their interactions with their social structures.

**New Embedded Security**
Finally, what kept our tiny house owners from returning to unsustainable routines is how the legitimacy of their sustainable routines created a state of ontological security. Over time, our participants felt a new sense of security with their sustainable routines. Sustainable consumption was once thought to be out of their control.

**Key Contributions**
We develop a deeper understanding of how sustainable actions become day-to-day sustainable routines in the lives of consumers. Past research states there is a duality between structure and agency (Giddens 1984), that practices reproduce (Brand 2010), that changing sustainable practices into routines is crucial to understanding sustainable consumption (e.g., Reckwitz 2002), and that sustainable practices lead to legitimacy (Gollnhofer 2017), among others. Over time, our participants’ unsustainable consumption routines diminished. They were replaced with new sustainable habits and routines (Matthies and Thomas 2012). As they lived day to day, their practices reproduced and transitioned into everyday routines. Sustainability became a byproduct of those routines. Their new routines became a representation of their transformed values, beliefs, and norms. In addition, their routines became legitimized and reinforced through their interactions with society. The opening quote by Christian (age 33), “sustainability as a routine must fit into my daily life. It cannot add to it. It cannot force me to change. I definitely don’t wanna think about it…” illustrates that sustainable consumption needs to become a routine itself, legitimized by consumers’ own evaluations and by society.

References are available on request.
Decentering Human Experiences: The Case of CrossFit

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Keywords: brands, object ontology, assemblage, consumer behavior, servicescape

Description: This paper illustrates the utility of Object-Oriented Ontology (OOO) for marketing through an analysis of key objects in a particularly informative servicescape context: CrossFit.

EXTENDED ABSTRACT

Research Question
The purpose of this project is to shed light on the shift away from a human/object split philosophy to one where all relevant entities are viewed as objects (both human and nonhuman) with their own agency and ability to act on and be acted upon. In doing so, our goal is to improve our understanding of how consumers engage in and make sense of the products, brands, and objects within retail spaces around them. In short, how might interrogating the agency of nonhuman objects add to our knowledge of consumer behavior?

Method and Data
The author team conducted an ethnography of CrossFit boxes across the continental United States. In addition to an exploration of their home boxes, the authors have “dropped in” other boxes. The objects in CrossFit boxes are similar but the spaces they inhabit are not, therefore, observing multiple boxes is crucial to gaining a better understanding of the research question posed. An essential task of the nonhuman turn (Grusin 2015) is the phenomenology of the object (Harman 2009; 2012). While phenomenology has been maligned in consumer research as a fetishism of human experience, we need not discard the method. As Rose (2018) demonstrates, an object-oriented ontological inquiry is well suited to phenomenological method. Indeed, Husserl (1964) demonstrates his phenomenological method in just such an interrogation of the nonhuman. Building on these insights, we offer phenomenological analyses of key objects from our context. These analyses are by necessity incomplete. A key insight of OOO and 21st Century Studies in general is that objects have a hidden, “dark side” potential—just as humans do (Harman 2012; Rose 2018). Thus, an exhaustive account of an object’s potential is impossible. For purposes of this paper, we analyzed three objects: tires, boxes, and numbers.

Summary of Findings
A phenomenology of the box uncovers five distinct themes of agency. The first and most plain, shared by many objects, is the ability to force movement in people. A second agentic function of boxes is to stratify participants. Recall that the box is 30 ¥ 20 ¥ 24 inches. Workouts of the Day (WODs) are prescribed with certain heights for the movement. For instance, participants may be told to complete 20 box jumps at 30 inches of height. When a participant cannot complete the WOD “as prescribed,” they scale it. That is, they alter the movement such that it remains challenging but within their capability. Third, boxes challenge expectations. This is the dark side of potential that Harman (2012) emphasizes. Boxes act in ways unexpected, challenging the understanding of those who interact with them. The fourth theme of agency for the box is directly related to its ability to challenge expectations. In this case, the box has the ability to punish people. This punishment comes in two forms: physical and social. Finally, the box has the ability to reshape the space and change its meaning. Most simply, the box often divides the space. Boxes can be lined up to create a division between areas of the gym.

Key Contributions
The major contribution of this study lies in understanding the roles and experiences of nonhuman objects in consum-
First, we demonstrate the utility of OOO and 21st century studies for contemporary consumer and marketing research. Second, we demonstrate that phenomenology as a method is still relevant despite the recent turn towards macro studies. Third, we show that object arrangements can be meaningfully managed to create or restructure value.

*References are available on request.*
Wedding and Consumption in an Intercultural Perspective

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Keywords: weddings, consumption, subcultures, rituals, ethnomarketing

Description: By adopting a phenomenological positioning and an ethnomarketing research process, this work aims to determine to what extent the culture of consumption around weddings interferes with the observed subcultures (religious, aetheletic, of gender, of passions, etc.).

EXTENDED ABSTRACT

Research Question
Ritual forms and practices have undergone a very important evolution and diversification (Segalen 1995, Kaufmann 2012, Lardellier 2013). Paradoxically, and despite the diversity of the wedding celebrations and the importance of the market, research in general and in ethnomarketing in particular has under-studied the resulting consumption behaviors, and its commercialization as a privileged occasion for consumption, related to an industry (Boden 2003, Nguyen and Bell 2012).

The aim of the research is to observe the wedding rituals of different subcultures in France, as well as the interactions of consumers with the numerous wedding vendors.

In this context, the research seeks to: explore the diversity and richness of shopping and celebration rituals through an ethnology of marriage; Analyze the meanings of consumer choices in the identity construction; study the cultural, symbolic, experiential and emotional aspects and their impact on consumption around the wedding; Establish typologies of shopping processes and define the functioning mechanisms of the market.

The main research question is: Does the culture of consumption around marriage interfere with the observed subcultures (religious, aetheletic, of gender, of passion...)? And if so, how?

Method and Data
Mobilizing experiential, sociocultural, symbolic and ideological dimensions of consumption, the theme is at the heart of the “Consumer Culture Theory” research tradition (Arnould and Thompson, 2005). The rarity of ethnomarketing work on wedding celebrations in France leads to an induction process (Badot et al., 2009).

Field study required the “recruitment” of several couples preparing a first wedding. Thirteen were validated as observation units between May 2013 and June 2017. The brides and grooms present a great variety of ethnicity (French, African, Oriental, Asian, Australian...), of beliefs (Catholics, Jews, Muslims atheists and Buddhists), of lifestyle (gothic, medieval, jazz fans...), and socioeconomic characteristics.

Given the intimate nature of the subject, the ethnographic apparatus seems the most appropriate for a more unfiltered and comprehensive approach (Mariampolski, 2006).

The inductive reasoning (Spiggle 1994), conducted as part of an ethnomarketing approach (Badot and Lemoine, 2008), structures the research protocol in four phases:

- Observation and data collection, carried out according to the itinerary method (Desjeux, 2006).
- Analysis, combining the collected data, based on in-situ observation, logbooks, visual and video ethnography and interviews.
- Theoretical discussion, confronting the literature on marriage, the impact of cultures on consumer behavior and on the functioning of the market.
- Marketing and managerial recommendations

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Summary of Findings

**Theme 1: The Ceremonial Ritual as a Repository of Preparation**

Each subculture has a repository of ceremonial rituals, whose script, format, dramatization and sense are socially acquired in varying degrees by the actors. Norms are imposed by various protagonists. Those “guardians of the temple” usually resist ritual change, while couples are generally more willing to hybridization.

**Theme 2: “Having a Perfect Wedding,” a Common Leitmotiv with Various Criteria**

For many, the wedding is the most important event in their life. Whether it is a small party or a lavish wedding, the brides and grooms enjoy the “magical transformation,” surrounded by family and friends and immortalized with pictures and videos.

Besides the joyful moments, couples have to deal with stress and excessive consumption, sometimes in a form of performance and competition, attachment to the origins, or with the aim of uniqueness.

**Theme 3: New Consumption Patterns Disrupting the Traditional and Historical Vendors of the Wedding Industry**

The role of women in preparations is crucial. However, men are showing more involvement. The valorization of the pleasurable, and “do it yourself” experiences, illustrate the emancipation, and the effort of creativity that the couples put-on. It also channels their will to buy smart (Haq 2009, Clochard and Desjeux 2013), and their engagement in a more responsible and collaborative consumption.

Those new consumption patterns disrupt the traditional and historical actors of the industry, and make them reconsider their strategies.

**Key Contributions**

The research finds that the ceremony is largely predetermined by rituals inherited from the original subcultures, where tradition remains the main reference. Nevertheless, customization and cultural hybridization are present in varying degrees, creating new forms of festivities, shaping a unique identity to each wedding.

The culture of consumption is increasingly transcending the secular wedding institution. The celebration is considered an end in itself, and usually, the show could supplant the historical meanings of rituals. This reflects a “dynamic ethnicity” that makes it difficult to identify the characteristics of the postmodern wedding consumer.

While both modern and traditional wedding rituals enhance consumption, the buying journey is becoming more and more omnichannel. In the context of a fierce market competition, the adoption of a comprehensive, customer-centric strategy which combines a seamless and “reenchanting” shopping experience becomes crucial for all the vendors. These are important prescribers of related services, and couples often accept to test their recommendations. Moreover, a family that starts is an opportunity to feed the CRM of the vendors, as it could involve baptisms, renewals of wedding vows, anniversaries, etc.

This shows that the wedding channel is one of the most suitable sectors for integrated offers and partnership strategies.

*References are available on request.*
Changing Kitchens: Understanding New Meanings and Practices of Familial Food Preparation in a Modernizing Society

Ateeq Abdul Rauf, Information Technology University

Keywords: kitchens, women, food, cooking, Pakistan

Description: This study probes how the value of cultural capital changes inter-generationally in an emerging country and how this contributes to change in cooking routines.

EXTENDED ABSTRACT

I illustrate how food preparation practices in the home are changing in an emerging economy. From a Bourdieusian perspective, I try to answer the question of how the value of cultural capital changes inter-generationally and how this contributes to change in cooking routines. As a consequence, I also try to understand why some forms of cultural capital are not transferred in families. Specifically, I investigate nine households in Pakistan using interviews and observations. In the results, I find that as the traditional role of the woman as a homemaker evolves and spreads to engagements outside the home and as the Pakistani consumer is exposed to a variety of global culinary influences, understandings of the meaning of food preparation and perceptions of what constitutes modern taste are also recast. In line with Bourdieusian thought, I find that social order is reproduced and maintained through investment in education at the expense of other forms of consumer undertakings. Moreover, in liquid modernity, tastes adapt to quick-serve, convenience foods as consumers become pressed for time. The study presents an opportunity for marketers to understand the changing facet of domestic and familial food preparation and consumption in emerging economies and to invest in appropriate offerings.

Research Question

Bourdieu deemed the social world to be divided into fields. A field is a social arena where dominant and subordinate positions exist based on the amounts of capital possessed by individuals (Swartz 1997, 123). Bourdieu comprehended fields to show social spheres of activity where symbolic, cultural, and social capital—in addition to economic capital—are collected and traded (Swartz 1997, 44). Capitals are valued resources that provide differential advantage to players in a field (Bourdieu and Wacquant 1992).

The modes of thinking, dispositions, and feelings that individuals inculcate in class-conditioning can initiate a vast array of possible actions (Bourdieu 1990; Bourdieu and Passeron 1977; Swartz 1997). In this way, class is also connected to consumer behavior. Class guides taste, i.e. the expression of embodied cultural capital in consumption practices. According to Bourdieu, home is one of the foremost spaces where cultural capital is inculcated in upcoming generations (Bourdieu and Passeron 1977).

In this study, I try to answer the question of how the value of cultural capital changes inter-generationally and how this contributes to change in cooking routines. As a consequence, I also try to understand why some forms of cultural capital are not transferred in families.

Method and Data

I carried out 18 in-depth interviews and ethnography across 9 upper-middle class families. Specifically, I analyze inter-generational food preparation practices in middle-class households in Pakistan. Mother and daughter/daughter-in-law pairs were interviewed from each home where the kitchen was shared between the two.

Pakistan is a country trying to move towards development but beset by problems such as overpopulation, illiteracy, poverty, and sectarian violence. From the late 1990s, Pak-

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Istani cities have seen a boom in various avenues of culture such as food, fashion, and entertainment, borrowing concepts used in Western countries.

The data for this study was collected using an emergent design. The sample was purposive and was obtained using personal contacts. The participants came from an upper-middle background from a large city of Pakistan. The interviews lasted between 50 to 100 minutes each. The interviews were conducted in Urdu or English where possible and then translated and/or transcribed thereafter. Additional observational data of women working in the kitchen and photos were collected where possible. The analysis was carried out using Spiggle’s (1994) techniques.

**Summary of Findings**

**Reconciliation of Tastes**

This research indicates a tension between a Westernizing societal backdrop in Pakistan and the traditional food culture in a typical middle-class family. While older generations seem to be less prone to adopting new types of cuisines, the younger generation has to battle expectations of partaking in local food culture and international fare. While both generations seem to allude to social superiority over the other, the value of capitals which lead to this social advantage are contested.

**Territorial Exclusion**

My findings indicate that the primary homemaker has a strong sense of ownership and independence in the kitchen of a traditional home. This also means that she can (and does) exclude other family members from the kitchen, especially daughters and daughters-in-law. This entails that culinary skills of the younger generation are not developed till the time they have their own kitchen space.

**Negotiating Culinary Responsibility**

While there was consensus across generations in believing that women should be educated/working, elder women thought of the kitchen as a place that managed the welfare of the family. However, this view contrasted with the idealism in the younger generation women who thought the chores should be distributed among marriage partners and kitchen helpers.

**Key Contributions**

This study reflects the notion of a generation whose tastes are in line with the concept of liquid (Bardhi et al. 2012; Bauman 2000). Eating ready to cook foods, using takeaway foods, eating out, using ready-made ingredients, and opting for frozen instead of fresh food is a trend away from traditional Pakistani fare. The resulting liquidity of choice by youth is result of a high cultural capital lifestyle that prefers cosmopolitanism, convenience, variety, and the exotic over the mundane, laborious, and ethnic.

Additionally, while traditional food preparation was once considered a skill that was valued, it may no longer be. This can tell us that capitals change over time.

This study also proposes a boundary condition to Bourdieu’s reproduction thesis. I do not find that parental cultural capital (especially in the form of culinary skills and the taste of slow processed food) transfers to the next generation.

In terms of practice, food marketers have an array of opportunities to invest in emerging economies and offer food products and preparatory devices from more developed markets as well as create new convenience food types and flavors using traditional fare as a base.

**References are available on request.**
Adopting a Market Orientation as a Strategic Response to Market Neoliberalization

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Keywords: complexity, business models, market orientation, marketization, organizational transformation

Description: We show how a long-standing organization adapts to maintain its identity and competitive advantage in a marketizing field through the nested transformation of the core elements of its business model.

EXTENDED ABSTRACT

Research Question
Markets originally removed from commercial forces, such as museums and the arts, theater, publishing, journalism, and architecture have been swept by the hegemonic force that is neoliberalism. To better compete under the governance of the Market, organizations have turned to the strategies and capabilities offered by marketing professionals and have engaged in strategic reorientations that emphasize comprehensive responses to their customers’ needs and competitors’ actions—they have become market-oriented. Understanding how this impacts organizations is thus of managerial relevance. Markets orchestrated by contradicting institutional logics—the driving assumptions, values, and beliefs that orient the perception and actions of market actors and thus structure markets—are said to be complex, as contradicting logics impose nonreconcilable demands on organizations that generate challenges and tensions, which has been of increased interest for researchers. However, it remains unclear how the competing demands that ensue from the complexity brought about by the entry of the market logic in a market is addressed by organizations.

Our research aims at resolving this gap by asking: how do long-standing organizations that have efficiently competed in a market dominated by other logics respond to a marketplace transformation towards a market logic?

Method and Data
We conducted a case study of a Brazilian network of confessional schools, hereafter BNCS. Our findings are based on an extensive qualitative dataset composed of 84 interviews with managers and experts, 10,780 surveys and 165 interviews with parents, participant observation during management meetings on the strategic reorientation of BNCS and its schools, and archival/organizational data such as internal strategic documents. We analyzed this data in an iterative fashion, following qualitative analysis best practices (Belk et al. 2013).

We identified the three logics that orchestrate the Brazilian education market based on an extensive review of the literature. This provided us with the overarching tenets of these logics, and how they differently orchestrate the actions of market actors. Our analysis emerges from a pattern matching approach (Reay and Jones 2016), where we matched organizational responses based on these three preidentified logics.

Summary of Findings
We describe how the market logic transforms an established, long-lasting organization and substantiate strategic response to complexity. We show how the adoption of a market orientation by a long-standing organization is filtered through previously adopted logic-based orientations. We present
these transformations through Johnson et al. (2008) conceptualization of the business model strategic tool.

We show that organizations respond through the nested transformation of profit formula and customer value proposition, where an organization adapts its value proposition for customers to keep up with an increasing competition under the new neoliberal logic, but that the adaptations are filtered through the preexisting religious and public education logics it had adopted prior to the entry of the market logic in their market.

We also show that an organization adapts key resources and processes such as technology used in the classroom, education curriculum, and decision-making processes. Both resources and processes, akin to adaptations in the profit formula and customer value proposition, have been adapted to fall in line with the demands generated by the emergence and increased dominance of the market logic with the Brazilian education market. Yet, these adaptations were the result of a nested approach: market-oriented initiatives were not blindly adopted, nor were they adopted in a way that reflect the for-profit market-oriented competitors of the organization. Rather, they were filtered through prior logic-informed orientations of the school: the religious and the public education logics.

**Key Contributions**

Our findings propose two main contributions to the marketing literature. First, that the adoption of a market orientation by a long-standing organization is accomplished through nested coupling, where previous logic orientations inform how the organization modifies its practices. This contributes to our understanding of the adoption of market orientation by organizations by emphasizing the historical and path-dependent nature of some organizations which, rather than undertaking a dramatic process of cultural transformation (Gebhardt et al. 2006), aim at maintaining their core logic-based elements, while adapting to emerging logics.

Second, we posit that market orientation is a logic-based organizational response. By contextualizing the adoption of a market orientation by a long-standing organization that previously efficiently competed against its competitors without the need for being market-oriented and describing organizational-level adaptions, we identified that, rather than a ‘natural’ best practice (Frösén et al. 2016), market orientation is intricately intertwined with the context in which an organization evolves in.

*References are available on request.*
Changing Markets by Triggering Socio-Cognitive Transformations: How Tesla Boosted the Electric Car Market

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Keywords: innovation, institutions, markets, deviance, market-driving

Description: We show how the entry of an innovator to a market can trigger socio-cognitive transformations that jumpstart market-level changes and boost the vitality of a market.

EXTENDED ABSTRACT

Technological innovations in a product market are not, in themselves, sufficient to trigger transformations in those markets. Technological advances must be accompanied by changes in cognitions. But we do not yet understand how the market-facing actions taken by innovative entrants may trigger changes in a product market’s shared understandings. We lack insight into how innovative entrants may precipitate changes among other stakeholders in their perceptions of new opportunities in the market. Given this gap in our understanding, this paper therefore addresses the following research questions. First, what are the practices of innovative market entrants that can trigger transformations in the social cognitions associated with a product market? And second, what socio-cognitive processes unfold that can facilitate the perception of new opportunities in the market?

Method and Data
Given the discovery-oriented nature of this research project, we adopted an inductive, qualitative approach centered on a specific brand, where we combined archival and interview data. We followed the evolution of the EC market following the entry of Tesla. We chose Tesla as our focal brand because the press and financial market had generally recognized its transformative impact on the EC market and because the market had become more successful as a result.

To better understand the greater EC market, the actions of Tesla and its impact, we collected archival data from the general press (The New York Times) as well as in publications on topics such as automobiles (Motor Trend, Car and Driver), technology (Wired), green technology (Clean Technica), and business (The Wall Street Journal). We also collected consumer discussions on online web forums on automobiles and financial investment (Tesla Motors Forum, Seeking Alpha), and car blogs, and material produced by Tesla in the forms of press releases, blog posts, and shareholder letters. We complemented this with long-form articles in publications outside of those just mentioned. We also undertook interviews with consumers and market experts. We interviewed 10 consumers and 3 experts. Interviews ranged from 35 minutes to two hours. Our data analysis was performed concomitantly while data collection through iterative cycles. This is a standard research procedure in qualitative research. We now turn our attention to findings.

Summary of Findings
What are the practices of innovative market entrants that can trigger transformations in the social cognitions associated with a product market? We identify the two practices Tesla engages in that triggered transformations in the perceived potential of ECs: practicing attractive deviance and projecting possibilities.

By practicing attractive deviance, we mean that Tesla selectively violated norms and practices that have become institutionalized in the product category, and straddled category prototypes.
The triggering of socio-cognitive transformations by Tesla is also accomplished by projecting possibilities. Tesla does so by circulating future-oriented stories about changes in the category and by advertising the company’s ambitions for itself within the category.

What socio-cognitive processes unfold that can facilitate the perception of new opportunities in the market? We identify two market-level processes that facilitates the perception of new opportunities: escalating category ambiguity and heightening storytelling. We describe these in turn.

By escalating category ambiguity, we refer to an increase in products, practices, and discursive acts that do not align with the product market shared understandings and what is expected from market actors. Ambiguity is associated with a diminished product market imperative, a variability in competitors’ responses, and increased customer heterogeneity.

Tesla’s actions and the increased ambiguity in the category drove the creation of stories by the media, and business and financial analysts to make sense of the equivocal market developments by distilling ambiguity into a simplified portrait, which we term heightened storytelling.

**Key Contributions**

We explained how a new entrant in a product market can trigger transformations in the socio-cognitive bases orchestrating the actions of market actors, and ensuing socio-cognitive processes that potentialize future possibilities within this market. This complements technology-oriented research that mostly argues on how the introduction of a new technology can transform a market, without emphasizing the necessary transitions in socio-cognitions to make new market opportunities perceivable. This is important because it might happen that a new technology or product enters the market and create a path dependent socio-cognitive trajectory with underwhelming opportunities, as exemplified by the EC market. In such cases, new entrants can open up the market by breaking down existing shared understandings, which creates market-level reactions from other market actors such as competitors, the media, and consumers. We next provide strategic recommendations as to when an organization can trigger socio-cognitive changes. This also informs when organizations in a product market can expect such changes to happen.

*References are available on request.*
Contested Boundaries and Logics: Organizational Legitimacy in the Subfield of Online Journalism

Gillian Brooks, University of Oxford

Keywords: legitimacy, institutional logics, organizational strategies, online journalism, social capital

EXTENDED ABSTRACT

Research Question
How do online news organizations gain legitimacy in the subfield of online journalism?

Method and Data
Ethnographic research, case study research (Eisenhardt 1989) and grounded theory building (Glaser and Strauss, 1967; Strauss and Corbin, 1998) over a period of six months at traditional news organizations and online news organizations Los Angeles, New York and Washington, D.C. Upon collecting six months of interview and observational data and in order to capture different dimensions of the field of journalism, I triangulated the data in order to systemically develop an understanding of what I discovered to be a subfield (of online journalism). In total, I conducted close to 200 hours of interviews during my time in the field (August 2011 to January 2012); while this study focuses on three case studies, I also interviewed individuals external to the case study organizations, in order to gain an in-depth understanding of the various roles played by different online news organizations within this space. I conducted follow-up interviews in New York in November 2015 with Breitbart’s long-time business partner Stephen Bannon as Breitbart passed away one month after our final interview in Los Angeles in 2012; at the time of my interview with Bannon, he was the Executive Chairman of Breitbart.com.

Summary of Findings
This study explores the changing nature of journalism as a space of contested power relations and networked communities, focusing specifically on the conditions under which certain online news organizations can participate and gain legitimacy in the emerging subfield of online journalism. I argue that three characteristics determine whether an online news organization can be considered legitimate; in analyzing these characteristics, I demonstrate how they help to create legitimacy in specific cases, focusing on three organizations: Breitbart.com, The Drudge Report and The Huffington Post. In identifying the logic of the subfield of online journalism, my findings reveal that this emerging logic is based on both the accumulation of social capital (specifically the use of networking) and symbolic capital (affiliated prestige, status and reputation).

Key Contributions
This paper will be expanding on the theory of field formation, particularly identifying embeddedness and ties to elites (Cattani, Ferriani and Allison 2014); the use of available resources within a field, specifically the role of social capital, which is a resource that has been minimized by scholars as their focus has been on symbolic, political and/or economic forms of capital (Narasimhan and Watson 2004); and, how social positions within fields are solidified based on relative combinations of available capital (Anheier, Gerhards and Romo 1995). The role of stakeholders within a field (as introduced by Rindova et al. 1995) is also discussed by the authors cited above in terms of the development of a social topology whereby a consensus reached by central players becomes an important indicator of legitimacy (Narasimhan and Watson 2004). I seek to examine how this occurs and how it contributes to an organization’s embeddedness within a given field and/or subfield, with the role of social capital being paramount in the creation of legitimacy.

References are available on request.
The Regional Innovation System of Medellín: Perceptions and Motivations of Participant Organizations

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Lina M. Ceballos, Universidad EAFIT

Keywords: innovation, regional innovation system (RIS), innovation economics, innovation systems.

Description: Using innovation economics as theoretical framework, this qualitative study explores the perceptions and motivations that participant organizations have about a regional innovation system.

EXTENDED ABSTRACT

Research Question
The theory of innovation economics posits that “economic development is the result of appropriated knowledge, innovation and entrepreneurship operating within an institutional environment of systems of innovation” (Courvisanos and Mackenzie, 2014, p. 41). In order to understand innovation as a phenomenon, academic research may adopt a systemic perspective (Mazur and Inków, 2017) by considering the importance of the network for the innovation process, as well as the importance of the set of organizations and institutions interacting within a system for generating innovation (Audretsch and Feldman, 2004; Belussi, Sammarra, and Sedita, 2010; Metcalfe, 2005). Within this perspective, emphasis has been given to the study of regional innovation systems (RIS), which are localized networks of actors (i.e., organizations) and institutions in the public and private sectors, whose activities and interactions create and disseminate new technologies (Cooke, 2002).

Using innovation economics as theoretical framework, this qualitative study explores the perceptions and motivations that participant organizations have about an RIS. Despite the abundant literature on the topic, the unexplored research questions include “How are participant organizations perceiving an RIS?” and “Why are organizations interested in participant in an RIS?”

Method and Data
The primary data was collected via 27 semi-structured interviews with individuals in charge of innovation topics or tasks in 18 organizations. Based on the quadruple helix model (Etzkowitz and Leydesdorff, 2000) a purposeful sampling process was used, and the selected organizations consisted on two universities, 11 companies from different industries, three governmental organizations, and two organizations from the civil society. Organizations were required to participate in an RIS and were performing innovation activities—previously determined in a preliminary study. All selected organizations belonged to the RIS located in Medellín, the second largest city in the country of Colombia (South America). This RIS is appropriate for the present study because the city has been classified as an effective innovation generator. For instance, Medellín was named the most innovative city of the world in 2013 by the Urban Land Institute (Moreno, 2013). The innovation Cities Global Index 2015 also stated that Medellín was the city with the highest rate of innovation growing indexes in the world (2thinknow, 2015). Data were analyzed via categorization and thematic analysis (Spiggle, 1994) and supported by ATLAS.ti, a software for qualitative coding.

Summary of Findings
Thematic interpretations indicated that organizations perceive the RIS as: (a) a system with a social role, which creates an innovation culture and provides tools for facilitating innovation and social welfare; (b) a set of procedures for boosting innovation, which promotes a system with a common goal to improve innovation capabilities; and (c) a platform for articulation and networking, which allows the connection of different actors to increase innovation performance.

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As for the main motivations, interviewees indicated that their organizations belong to the RIS in order to:
(a) strengthen their organizational culture for innovation because organizations are motivated by the declaration made towards innovation in a symbolic public act;
(b) engage in innovation projects and activities, as they perceived the RIS as a commitment to future investment;
(c) connect with other actors in the system, as they belong to an innovation community for building connections and networking;
(d) access resources and opportunities of the system because they find training opportunities, financial support, and mentoring, and
(e) as a way to identify capabilities and opportunities.

Key Contributions
This study contributes by extending the literature on motivating factors influencing organizations to take part in an RIS. Regarding managerial implications, findings can be useful to actors involved in the improvement and sustainability of an RIS, such as governmental organizations (e.g., Ruta N) and policymakers (e.g., government, Colciencias). The understanding of “why” organizations belong and participate in an RIS can provide valuable insights to design effective activities, strategies, and policies to encourage organizations to join and continuously participate and contribute to an RIS.

References are available on request.
Toward a Unified Domain for Theorizing Market Datafication: The Intersection of Dataist Ideology, Data-Driven Markets, and the Quantified Consumer

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Keywords: market datafication/consumer quantification, big data, artificial intelligence and machine learning, predictive analytics, metric culture

Description: Marketing’s important conceptualizations and theorizations toward the cultural and consumer ramifications of big data, predictive analytics, and artificial intelligence/machine learning are not currently in effective conversation with similar research proliferating in many other academic disciplines; therefore, we propose that marketing as an academic field would benefit from an organized sub-domain of market datafication/consumer quantification (MD/CQ) that brings these studies under one umbrella.

EXTENDED ABSTRACT

Research Question
In this paper, we ask why marketing is not at the forefront of academic fields studying the ramifications of societal dataism, organizational datafication, and individual quantification. Our field’s ubiquitous, headlong push into predictive analytics lies at the heart of many headline-grabbing questions being raised by other fields’ scholars about how the use of big data, artificial intelligence, machine learning, and predictive algorithms affects people and society. Yet, our field has lagged behind others in constructing an integrated corpus of scholarly work that critically interrogates datafication and quantification. Research questions such as the following could be asked and answered under one powerful umbrella of market datafication/consumer quantification (MD/CQ): What axiomatic assumptions are inherent with a dataistic ideology? Can a dataist ontology/epistemology be problematic? How can firms use surveillance technology and consumer data without breaking consumer trust? What are the identity implications for consumers of being quantified by institutions and markets for purposes of categorization? What can we learn from cases of consumer self-quantification? What opportunities exist for firms to market consumer data to consumers themselves or, alternatively, to sell us the means of our self-datafication? Why and when do consumers accept this culture of quantification? What are the implications for consumer wellbeing? In this paper, we postulate that the lack of an organized framework for scholars working in this area relegates questions along these lines to the “fringe”—that is, papers addressing these questions appear to be interesting but esoteric, and not central to other conversations. We look to academic conversations both within marketing and between disciplines to evaluate the potential benefits of an academic sub-domain of MD/CQ for advancing marketing scholarship.

Summary of Findings
Market datafication—a manifestation and outcome of a dataist society—is the tendency of a market to become increasingly data- and algorithm-driven. The datafication of markets relies on the quantification of consumers. Theorizing the inter-relationships of individuals and markets in the context of a dataist society requires attention to macro, meso, and micro level actors and forces. At the macro level we are concerned with a paradigm shift to dataism throughout industrialized societies. At the meso level we must grapple with the practices of institutions—marketing institutions...

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in particular—of gathering massive amounts of consumer data and using it to categorize, target and, to some extent, control customers. At the micro level we need better understanding of how consumers exercise agency within the quantified and quantifying structures created by institutions. The pervasiveness of consumer quantification, its spread throughout many (if not all) sectors, its impact upon society and individuals, and the ability of marketing to make a unique and important contribution to the field of study makes the theorization of MD/CQ, we believe, a matter of some urgency.

We find that recent studies of societal dataism, datafied markets, big-brother/big-business datasurveillance, and the datafication of individual identity have been spread thinly across disciplines and between sub-fields within disciplines. For instance, we find work on “metric tyranny” in history (Muller 2018); “quantified self” and “the data gaze” in sociology (Lupton 2016; Beer 2018); “seductions of quantification” in anthropology (Merry 2016); and “algorithmic governance” in political economy (Campbell-Verduyn, Goguen and Porter 2017). The work so far in marketing on topics relating to metric culture and societal dataism—e.g. “humanizing big data” (Strong 2016); consumer self-quantification and datapreneurship (DuFault and Schouten 2018); influencers and their sometimes doomed aspirational quests for ever-increasing digital metrics (Ashman, Patterson, and Brown 2018); and conceptual development of critical datafication theory (Thompson 2018 preprint)—are moving this area ahead. Works such as these are valuable pieces of a whole, but they lack an umbrella construct to unite them in conversation with each other, and with outside disciplines, therefore limiting their impact, and also limiting what could be an exponential growth of work from our field that would inform others.

**Key Contributions**

Marketing is extremely well-positioned to make meaningful theoretical advances, and to unify MD/CQ studies, with research into the interactions between dataistic society, data-driven markets, and datafied consumers. Current MD/CQ work in marketing tends to have quite distinct reference lists, drawing from many other fields of study, but with no “core” corpus of agreed-upon works (either within or outside of marketing) upon which to build. We believe that we must recognize datafied consumer markets as an organized domain to coordinate our efforts, to classify prior and future work, to develop a common language, to build a unified core corpus, and to set forth research agendas. By recognizing and unifying these questions in a common domain of study we believe marketing can then move forward and contribute exponentially as a field in this area.

*References are available on request.*
Collaborative Innovation as Representation: An Institutional Perspective

Claudia Maria Vaughan, University of Hawaii at Manoa

Keywords: innovation, diffusion, service dominant logic, institutions, representations, commons theory, complexity theory

Description: The paper investigates the role of representation in the diffusion of innovation.

EXTENDED ABSTRACT

Research Question
What is the role of shared representation in coinnovation?

Key Contributions
Advance the understanding of key drivers behind distributed innovative efforts of actors through a multilevel perspective.

Summary of Findings
To the extent that representations are shared, distributed innovative efforts of actors can align and enable collaboration towards a common goal or a shared purpose.

References are available on request.

For further information contact: Claudia Maria Vaughan, Marketing PhD student, University of Hawaii at Manoa (cvm815@hawaii.edu).
Drivers and Contextual Barriers of Radical Technology Adoption in Organizations: Example of the Mexican Footwear Industry

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Rita Faullant, University of Southern Denmark

Keywords: radical innovation, technology adoption, decision making, institutional theory, isomorphic forces, 3D printing technologies

Description: On the example of 3D printing technology (3DPT) usage- and behavior in the footwear industry, this paper examines the influence of isomorphic forces and contextual barriers on the adoption of radical technologies in industrial environments.

EXTENDED ABSTRACT

It is not a secret that copycats, and mimicking are the modus operandi of the fashion industry. Yet, this dynamic does not ensure similar and successful results for all market participants. The adoption of radical technologies can optimize efficiencies and help to shine out competition. In order examine whether, how and to which extent isomorphic forces influence the adoption of radical technologies in industrial clusters, we investigated the adoption of 3D printing technologies in the Mexican footwear industry. Fashion networks, are operating under severe levels of pressure, not only from inside the cluster, but also due to the accelerated rhythm of seasonal production. Analyzing the dynamics of the value network from an institutional perspective, our investigation shows that isomorphism is truly the daily bread among technology adopters in the footwear industry. We discovered that coercive- and mimetic isomorphism is the main cause for adoption in the cases investigated. We reveal that the “blind-follower” behavior frequently results in counterproductive consequences and call managers to rationalize their adoption decision behavior.

Research Question
While research on radical technologies is top of mind science these days (Christensen, 2013), empirical evidence on motives for their adoption is scarce (Rogers, 2003). Even less information is available when emphasizing specific radical technologies like 3DPT (Schneiderjans, 2017). Literature on strategic decision making (Schneider and De Meyer, 1991) as well as on 3DPT (Rayna and Striukova, 2015) facilitates a basic understanding but still is not enough to comprehend the entire logic of the adoption decision. The impact of company- (Christi et al., 2010) as well as industry internal- and institutional dynamics (DiMaggio and Powell, 1983) on the decision-making process is hardly studied, resulting in a lack of empirical knowledge on the driving forces for technology adoption. The underlying research examines the impact of industry internal forces on the adoption of radical 3D printing technologies, thereby aiming to answer the question of how and to which extent isomorphic forces influence the adoption of 3DPT in industrial clusters. We hypothesize that higher levels of isomorphism (mimetic, coercive- and normative pressures) lead to a greater intention to adopt 3DPT.

Method and Data
The underlying investigation is based on a qualitative- as well as quantitative research process. In a first step, driving forces for the adoption of 3DPT were identified and findings emphasized the influence of relationships among industry actors’ adoption decisions (Ukobitz et al., 2017). In a second
step, research was narrowed to a network approach aiming to detect the impact of these forces on the organizational adoption behavior. Due to the volatility in demand and the quick need for production responses (Azevedo, 2013) the footwear industry was chosen for this analysis. 20 in-depth interviews were held with decision makers in major companies of the Mexican footwear industry, representing one of the most dominant footwear industries worldwide. 3DPT adopting- as well as nonadopting players from different stages of the value creation process in the industry were selected and asked about their motives for 3DPT adoption or rejection. Consequently, a quantitative study assessing the phenomenon of isomorphic forces in the context of radical technology adoption was developed and diffused among members of the footwear industry. The survey further aims to identify motives and barriers of 3DPT usage. We expect to receive around 200 responses from the footwear sector, allowing us to validate hypothesis.

**Summary of Findings**

Previous research on organizational technology adoption has revealed a certain degree of irrationality along the decision-making process. Existing literature reports an array of factors influencing technology adoption (Sinha and Noble, 2008; Walden and Browne, 2009), ranging from company internal- to external-, personal and decision-specific characteristics (Rogers, 1995; Scott, 2006; Tornatzky and Fleischer, 1990). Uncertainty and constraints however provoke homogeneous structures and conformity among institutions; according to DiMaggio and Powell (1983) the result of coercive-, mimetic- and normative forces inside an industry. Parties involved in business relations oftenly adapt activities, such as to “better fit economically or technically with those of the counterpart” (Mengoni et al., 2017, p.1353).

Based on our extensive literature analysis and qualitative interviews we present the following preliminary results: (i) external factors of influence are the main driver for 3DPT adoption in the industry under research, (ii) isomorphic pressures (coercive and mimetic) exert tremendous impact on 3DPT adoption, (iii) companies implementing 3DPT out of own conviction experience greater benefits, (iv) 3DPT adoption represents a true option for differentiation and market positioning, (v) adoption is delimited by a severe lack of information on 3DPT, its application as well as support infrastructure. Quantitative results are expected to prove and validate findings of the qualitative research.

**Key Contributions**

This research contributes to the existing stream of literature on technology adoption through the analysis of the managerial decision-making behavior from an institutional lens, thereby emphasizing isomorphic forces as the main driver for technology adoption in highly operative industrial clusters. Further results aim to add value to the contemporary field of research build around 3D printing technologies by means of examining motives and barriers for their integration in industrial processes. This study further offers practical implications for managers, marketers as well as policy makers. Empirical validation of the impact of isomorphic drivers along organizational adoption decisions, allows industry actors to avoid trade-offs when it comes to the selection of their technology adoption strategies, thereby facilitating a more rational decision-making process for managers embedded in environments with strong institutional forces. Our results encourage policy makers to shape and promote collaboration among members of industrial clusters, not only to facilitate the diffusion and adoption of innovation but also to increase firm’s competitiveness on a national and international level. Findings further advocate 3D printer suppliers to improve marketing as well as sales strategies though the personalization of their communicational efforts to decision makers’ adoption motives and barriers.

*References are available on request.*
Complexity of Firm–Customer Relationship

Customer–Employee Relationships
Language Dynamics in Employee–Customer Text-Based Interactions
Francisco Villarroel Ordenes, Dhruv Grewal, Lauren S. Grewal, Panagiotis Sarantopoulos

Customer and Employee Satisfaction Effects on Cross-Buying
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The Upper Echelons and Customer Management Strategy
Flora F. Gu, Fine F. Leung, Yi Tang, Danny T. Wang

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Perceived Coolness and Consumer Expertise: A Service-Dominant Logic Outlook
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The Evolution of Online Complainants’ Desires
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Behavior-Based Service Discrimination
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Language Dynamics in Employee–Customer Text-Based Interactions

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Lauren S. Grewal, Dartmouth College
Panagiotis Sarantopoulos, University of Manchester

Keywords: service interactions, frontline employees, social media, live chat

Description: We investigate how frontline employees’ language influences the customer service provided on text-based digital communication platforms.

EXTENDED ABSTRACT

Research Question
The present research addresses which language dynamics exhibited by frontline employees (FLEs) on text-based digital communication platforms results in more positive perceptions of customer complaint resolutions.

Method and Data
We investigate text-based interactions (dialog) between frontline employees (FLEs) and customers, in both social media (1,194 Twitter and Facebook conversation threads) and a firm-owned platform (1,623 live chat conversation threads), using automated text analysis and a series of ordinary least square and hierarchical logistic regressions.

Summary of Findings
Very negatively valenced customer complaints that initiate a customer service interaction tend to be more difficult problems for customer service FLEs to solve. These more negatively valenced complaints prompt more negative perceptions of the service resolution. However, this effect is moderated by the relative level of dominance expressed by the FLE in the language she or he uses throughout the interaction (i.e., dialog). The more dominant (cf. submissive) the language used by the FLE, relative to the language used by the customer, the more favorable the outcome of the interaction for negatively valenced complaints (cf. less negatively valenced ones). Our studies, across both social media and firm-owned platforms, suggest some mixed evidence regarding the effect of linguistic style matching between the FLE and the customer with regard to service resolution.

Key Contributions
On the basis of dialogical theory, we investigate two conversational properties of FLEs’ language and their influence on customer service encounters on digital communication platforms. We develop a novel text mining method that captures the level of dominance expressed by FLEs, relative to customers, and the moderating role of dominance on the effects of the valence of customer complaints. We advance research on customer service interactions by exploring how FLEs’ linguistic style matching can improve customers’ perceptions of the provided solution.

References are available on request.
Customer and Employee Satisfaction Effects on Cross-Buying

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Shuba Srinivasan, Boston University

Keywords: customer satisfaction, employee satisfaction, cross-buying, retail, panel models

Description: The effects of customer and employee satisfaction on cross-buying are concave nonmonotonic: for low satisfaction levels, an increase in satisfaction leads to higher cross-buying; while for high satisfaction, an increase leads to lower cross-buying.

EXTENDED ABSTRACT

In the retail industry, where customers interact with employees during the purchase process, the satisfaction of both stakeholders plays an important role in determining customer spending. The service-profit chain framework states that employee satisfaction (ES) influences customer spending through customer satisfaction (CS), leading one to expect that CS and ES do not have simultaneous effects. However, whether CS and ES have simultaneous effects remains an open question.

We jointly model the effects of CS and ES on cross-buying probability, controlling for customer heterogeneity and time effects, and accounting for nonlinearity and asymmetries. Our results based on an empirical analysis with data from a leading car rental company have novel implications for theory and practice. CS and ES have simultaneous effects on cross-buying. However, the relationship is concave nonmonotonic. For low satisfaction levels, an increase in satisfaction leads to higher cross-buying; while for high satisfaction, an increase leads to lower cross-buying.

Research Question

Customers and employees form the backbone of businesses. The importance of having both sets of stakeholders satisfied to improve business performance is well established both in academia and in practice. As a result, companies invest substantial resources to monitor and improve customer and employee satisfaction. This effort is particularly critical in the retail industry, where the level of customer spending is largely determined at the customer-employee encounter.

Studying the simultaneous effects of CS and ES is important for theory and practice. To this end, it is not clear whether ES would have an effect on customer spending once the effect of CS is accounted for.

The main objective of this paper is to quantify the simultaneous effects of CS and ES on cross-buying in the retail industry. Cross-buying is fundamental for managers because it helps maximize the return from current customers. Therefore, we pose three main research questions. First, do CS and ES have simultaneous effects on cross-buying? Second, what are the relative magnitudes of the effects of CS and ES on cross-buying? Third, do the effects of CS and ES on cross-buying have interaction effects?

Method and Data

We jointly model the effects of CS and ES on cross-buying probability, controlling for customer heterogeneity and time effects. The model accounts for nonlinear and asymmetric effects of CS and ES. Moreover, we examine whether the effects of CS and ES on cross-buying are nonmonotonic. The functional form of the effect of satisfaction has important implications for managers because it influences investment decisions.

For our empirical analysis, we employ panel datasets on transactions and satisfaction at individual customer level and employee satisfaction at store level of a leading car rental company. The customer-employee interaction at the rental encounter provides customers the opportunity to cross-buy
additional services, for example prepaid refuel or road assistance insurance. The identification of the effects comes from observing changes in CS, ES and cross-buying across customers, stores, and time. An additional feature of this data is that customers perform transactions at different rental stores. As a result, customers interact with different employees, which introduces more variation in the data.

Summary and Findings
The effect of ES on cross-buying is 2.7 times larger than the effect of CS. Increasing ES from the lowest level to a medium level increases cross-buying probability by 9.5 percentage points (p.p.), while for CS cross-buying probability increases by 3.5 p.p. The highest cross-buying occurs for medium levels of CS and ES. The dependence between the effects of CS and ES is negligible.

Although both CS and ES have a concave effect on cross-buying probability, the shapes are different. CS has a nearly symmetric effect, with extremely satisfied customers having a similar probability to cross-buy than extremely dissatisfied. On the other hand, the effect of ES is not symmetric. The lowest cross-buying occurs for extremely dissatisfied employees. While extremely satisfied employees have the same cross-buying probability of intermediate-low satisfied employees. A comparison between the magnitudes of the effects of the different variables highlights the strength of the effect of satisfaction: the effect on cross-buying probability of improving ES from the lowest to the medium level is the same of increasing employee tenure by 26 years.

Contribution
This paper differs from previous research both from substantive and application perspectives. First, the extensive empirical research that examines CS and ES has overlooked their simultaneous effects. Previous literature either examines separately the influence of CS and ES on customer spending or considers that the effect of ES is mediated by CS. Moreover, we compare the relative magnitude of their effects and explore whether they have an interaction effect. Second, we examine the impact of these effects on the outcome measure of cross-buying. Cross-buying is a key measure of customer spending in the retail context because it is an outcome of the interaction between customer and employee. Third, we quantify the simultaneous effects of CS and ES on cross-buying at different levels of satisfaction. Considering the functional form of the relationships has theoretical and managerial implications. Finally, unlike most studies that quantify the effects of satisfaction, we employ panel data to control for customer heterogeneity and time effects. The effects identification results from observing changes in CS, ES and cross-buying across customers, stores, and time. Hence, this study makes a step forward with respect to previous research in the identification of causal effects of satisfaction.

References are available on request.
Research Question
CEO hubris, defined as extreme self-confidence and exaggerated belief in one’s own judgment that deviates from objective standards (Hayward and Hambrick 1997; Hiller and Hambrick 2005), is a prominent psychological characteristic among corporate leaders. This phenomenon is frequently reported in the media and is found to have important consequences for firms such as acquisition premiums (Hayward and Hambrick 1997), investment decisions (Mal-mendier and Tate 2005), excessive risk taking (Li and Tang 2010), firm innovation (Galasso and Simcoe 2011; Tang, Li, and Yang 2015), and corporate social responsibility (Tang et al. 2015; Tang, Mack, and Chen 2018). Despite the theoretical importance of and the prevalence of hubris among CEOs, few scholars have explored how CEO hubris influences firms’ relative emphasis on customer acquisition versus retention orientations, which may impact firms’ resource allocation, shape its marketing capabilities, and produce distinct performance outcomes (Arnold, Fang, and Palmatier 2011). Integrating upper echelons theory from the management literature (Hambrick 2007; Hambrick and Mason 1984) with customer orientation literature, this research investigates whether and how CEO hubris influences a firm’s performance through its relative emphasis on customer acquisition and retention orientations, as well as the contingencies that exacerbate and attenuate these effects.

Method and Data
We test our hypotheses across two studies with a multi-method research design. In Study 1, we use a scenario-based laboratory experiment to examine the causal effect of hubris on customer acquisition and retention orientations. We manipulate hubris and use eye-tracking technology to determine whether executives devote selective attention to information which subsequently influence their customer-centered orientations. In Study 2, we test the full conceptual model with a combination of longitudinal survey and objective performance data from consumer product firms in China. We measure CEO hubris and customer-centered orientations, test the moderating roles of market uncertainty and firm experience, and examine the downstream effects of the two orientations on market performance.

Summary of Findings
Study 1 revealed that the percentage of budget allocated to a customer acquisition strategy, relative to a customer retention strategy, was higher in the hubris condition than in the control condition. Moreover, participants in the hubris (vs. control) condition paid more attention to information about the customer acquisition strategy while relatively overlooking information about the customer retention strategy. Study 2 showed that CEO hubris relates positively to customer acquisition orientation and negatively to customer retention orientation. The interaction between CEO hubris and market uncertainty exerted a positive effect on customer acquisition orientation but a negative effect on customer retention orientation. The interaction between CEO hubris and firm experience exerted a negative effect on customer acquisition orientation but a positive effect on customer retention orientation. Moreover, the results showed that customer acquisition ori-
entation had a positive effect on lagged ROA, but the effect of customer retention orientation did not reach a significant level.

**Key Contributions**
This work makes the following theoretical and managerial contributions. First, our research identifies CEO hubris as an antecedent of customer-centered orientations, which provides new insights into why firms make trade-offs between devoting resources to acquiring prospective customers and retaining current ones. Our findings also provide implications for CEO selection practices to align with firms’ overall customer strategy. Second, we identify two boundary conditions under which the hubris effects may change. By delineating boundary conditions, we provide guidance to firms on how they can leverage CEO hubris to support beneficial outcomes while avoiding harmful ones. Third, our work advances our understanding of how CEOs’ characteristics influence strategic decisions. Using eye-tracking technology to capture executives’ attentional focus, we show that executives’ selective attention to information partially drives the effect of hubris on customer-centered orientations, supporting the biased information processing explanation of upper echelons theory.

*References are available on request.*
Does Employee Work-Life Balance Affect Online Reputation of Firms? An Exploratory Study

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Audhesh Paswan, University of North Texas

Keywords: work-life balance, yelp, glassdoor, online reputation, employee, topic model

Description: This paper focuses on the relationship between employee work-life balance and the online reputation of firms.

EXTENDED ABSTRACT

Research Question
How does work-life balance of employees affect online customer ratings in general and service quality ratings in particular?

Method and Data
We collect data from 80 chain-affiliated firms operating in the USA. We collect customer reviews from 110 cities between January 2009 and December 2017. We collect employees’ rating of their employers from glassdoor. Our sample consists of 974841 customer reviews and 18617 employee reviews.

We collect data from three sources. We collect data related to customer reviews, customer ratings and management’s response to customer ratings from Yelp.com. We collect data related to employee’s rating about their work life balance and salary from Glassdoor.com. We collect information related to the affiliated businesses’ network size and percentage owned by affiliated businesses from entrepreneur.com.

We use fixed effects panel regression and topic model—unsupervised Latent dirichlet allocation (LDA) to arrive at the findings.

Key Contributions
First, the study makes a case for creating policies that support employees’ work-life balance. This is an important contribution to the “Service Profit Chain” literature in terms of identification of a key antecedent to the employee satisfaction construct and its link with customer satisfaction.

Second, our analysis accounts for difference in consumer behavior across diverse geographical locations, through a large data set by employing a rich set of control variables. We also exploit the panel nature of our dataset by incorporating firm fixed effects and time effects. Third, we use machine learning tools such as text mining to create topic models that isolate the “service quality” aspect in customer ratings, which further lends credence to the importance of work-life balance of employees involved in the service interaction.

Summary of Findings
We show that work-life balance of employees is positively correlated with customer ratings. To specifically investigate the impact of work/life balance on the service quality aspect of customer ratings, we employ topic model technique on customer reviews. We show that employee work/life balance is positively associated with the service quality aspect of customer ratings.

References are available on request.

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Perceived Coolness and Consumer Expertise: A Service-Dominant Logic Outlook

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Keywords: service dominant logic, perceived coolness, consumer expertise, customer experience, rebelliousness, desirability

Description: This study has developed conceptual framework of value cocreation and empirically validated it from the coolness context.

EXTENDED ABSTRACT

Research Question
1. Enhancing the understanding of value cocreation through product coolness
2. Empirically validating the SDL framework

Method and Data
This study collects data online. Structural equation modeling used to analyze data.

Summary of Findings
Value cocreation requires understanding of resources which coshape the consumers’ expectations (Prahalad and Ramaswamy, 2004). Our results show that both consumer resource (Consumer expertise) and firm resource (Perceived Coolness) are positively linked with cocreated value (Customer experience). This finding is consistent with the service-dominant logic literature as per which value is cocreated through the interaction of firm and consumer resources. Consumer resources significantly influence cocreated multisensory experiences. Thus, developing customers’ willingness to involve in the value creation process is critical. Firm resource, which is conceptualized as perceived coolness significantly enriches the multisensory experiences of consumers. Firms willingness to invest in understanding coolness phenomena reaps enormous dividends. Examples like Bose, Harley Davidson, PlayStation, and Apple have remarkable success stories weaved around coolness notion. Understanding of the value cocreation through the perceived coolness lens and upholding importance of consumer resources in the process makes this study a vital contribution to SDL literature evolution.

Key Contributions
1. Empirical validation of service-dominant logic proposition
2. Our results show that both consumer resource (consumer expertise) and firm resource (Perceived Coolness) are positively linked with cocreated value (customer experience).

References are available on request.
The Evolution of Online Complainants’ Desires

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Keywords: service failure, online complaining, service recovery, complaint desires

Description: This research investigates the rise and the evolution of online complainants’ desires along the service recovery episode.

EXTENDED ABSTRACT

Research Question
We propose a process model of online complainants’ reactions following service failures. Specifically, we argue that online complainants who have experienced a dissatisfactory brand event have vivid desires to rebalance their relationship with the involved brand when sharing an online complaint. According to justice theory, individuals experience an imbalance in a relationship when they have been treated unfairly. This urges them to restore justice by applying specific coping strategies. A consumer’s desire for revenge and desire for reparation are two coping mechanisms that help them to reduce mental distress. Our model asserts that dissatisfied customers are motivated by these two desires when complaining online. Customer commitment, however, influences the extent to which online complainants desire prewebcare revenge and reparation. In this research, we argue that customer commitment increases both the two desires, given the circumstances of direct online complaining. Further, the model acknowledges that customers’ desires change during the recovery process. Accordingly, it distinguishes between diffuse prewebcare desires and successive, concrete postwebcare intentions (retaliatory intentions vs. reparatory intentions). Here, we posit that initial complaint desires—driven by customer commitment levels—have a ‘spillover effect’ on deliberate intentions after receiving webcare. However, customers’ webcare satisfaction can intervene this process by encouraging (mitigating) favorable (unfavorable) desires in an unexpected way.

Method and Data
To test the hypotheses, an online survey approach was chosen to examine reactions of the population of interest—i.e., adult consumers who have experienced a service failure and subsequently complained online directly to the involved brand/company via one of its social media outlets. A survey approach has been used in similar research (e.g., Bougie, Pieters, and Zeelenberg, 2003; Aquino et al., 2001; McCullough et al., 1998; Grégoire and Fisher, 2006; Schoefer and Diamantopoulos, 2009). An online access panel was used to invite respondents from both the US and Germany. After data screening and cleaning, the final sample included 587 usable questionnaires. Data was pooled after ensuring homogeneity across countries (e.g., personal characteristics) and complaint platforms. 54.7 percent of respondents were male and the average age was 35.1 years (SD = 11.10). In terms of service failures, the largest complainant group suffered from a defect or malfunctioning product (28.8%), followed by experiences of a poor product or service quality (24.5%). Complainants confronted with a lack of staff expertise or helpfulness represented the smallest group (7.3%). Over eighty percent of participants experienced a ‘double deviation’ (no/unsatisfying prior recovery attempt in a traditional complaint channel, e.g., hotline).

Summary of Findings
Analyses revealed that prewebcare desire for revenge was significantly higher among committed complainants, compared to uncommitted ones. In addition, customer commit-
ment had a significant effect on prewebcare desire for reparation. Participants had a significantly higher desire for reparation when they were committed to the brand than when they were uncommitted. In line with our argument, further analyses showed that consumers with low prewebcare desire for revenge receiving satisfying webcare had significantly and consistently lower unfavorable retaliatory intentions compared to those who received unsatisfying webcare. In addition, complainants with a low prewebcare desire for reparation expressed more positive reparatory intentions after receiving satisfactory webcare than after obtaining an unsatisfactory recovery—except for postwebcare attitudinal loyalty. For complainants with high prewebcare revenge desire, webcare satisfaction reinforces a consistency effect from diffuse prewebcare desires to concrete postwebcare intentions. For example, third-party complaining was higher among respondents who experienced satisfying webcare compared to individuals who received unsatisfying webcare. This pattern was consistent across all additional retaliatory intentions, which was in support of the ‘satisfaction becomes vengeance’ effect. In line with the expected ‘satisfaction becomes blessing’ effect, postwebcare reparatory intentions were higher among complainants with high prewebcare reparatory desires who received satisfying webcare, in contrast to complainants with unsatisfying recovery experiences.

**Key Contributions**

One of the paper’s contributions is to reveal that individuals with a low desire for revenge (reparation) who receive satisfying webcare are less (more) inclined to strive for retaliatory (reparatory) behaviors than customers who perceive webcare as unsuccessful. When it comes to complainants with high prewebcare desires (i.e., committed customers), this study shows that concrete postwebcare intentions are based on a different mental mechanism: We argue that after unfavorable brand experiences (i.e., service failures), these individuals hold such a strong interest in fulfilling their desires to take revenge and reparation that webcare is interpreted in accordance with their initial (prewebcare) desires. Specifically, we show that through a high desire for revenge, they interpret satisfactory webcare as a validation cue of a company’s responsibility for the failure. Hence, in this situation, satisfactory webcare intensifies postwebcare retaliation, which we term as the ‘satisfaction becomes vengeance’ effect. In contrast, customers with a strong drive for reparation seek cues to maintain these positive desires. Here, webcare satisfaction serves as a rationalization instrument. However, the company’s efforts are interpreted as a signal of the company’s cooperation in restoring the customer-brand relationship. Consequently, satisfactory webcare intensifies postwebcare reparation (i.e., the ‘satisfaction becomes blessing’ effect).

*References are available on request.*
Behavior-Based Service Discrimination

Krista J. Li, Indiana University

Keywords: service discrimination, behavior-based pricing, customer recognition, game theory

Description: This research investigates how firms set different service quality levels and prices for repeat customers and new customers to reveal the unique effects of service discrimination beyond the effects of behavior-based price discrimination.

EXTENDED ABSTRACT

Research Questions
(1) How do firms customize the quality of customer service for repeat and new customers? Should they reward repeat or new customers on the quality dimension by offering them higher-quality service than what the other type of customers receive? (2) How do firms customize prices when they customize quality levels? (3) What is the fundamental difference between customizing quality and customizing prices? Should firms reward the same type of customers with both higher quality and lower prices or should firms reward different types of customers with different attributes? (4) How does quality customization affect competition in the second period when firms customize quality and prices and the first period when firms acquire initial customers? (5) How does quality customization affect firm profits, consumer surplus, and social welfare?

Method and Data
To address these questions, we build a two-period game-theoretic model with two symmetric and differentiated firms that sell a repeatedly purchased core product or service (e.g., Amazon’s books, Delta’s air transportation). Firms can provide higher-quality service (e.g., Amazon’s recommendation system, Delta’s Sky Clubs) to enhance customers’ experience from consuming the core product or service. In each period, firms compete with each other by making service quality and pricing decisions. Consumers prefer higher-quality experience but also have heterogeneous intrinsic preferences for the two firms. In the first period, consumers’ intrinsic preferences are private information, which can be partially revealed by their purchase decisions in this period. Firms set initial quality and prices to compete for customers in the first period. At the beginning of the second period, firms observe customers’ purchase histories to determine whether they purchased from them or the competitor previously. With this information, firms can customize second-period quality and prices for their repeat and new customers.

Summary of Findings
First, the BBP literature shows that firms typically penalize repeat customers by charging them higher prices than what new customers pay because repeat customers reveal higher preferences by purchasing from the firm in the last period (Fudenberg and Villas-Boas 2006). This theoretical finding does not explain the prevalence of loyalty programs that reward repeat customers (Lewis 2004). From a consumer’s perspective, the utility from consumption can be succinctly written as quality minus price (i.e., $q-p$). The BBP literature shows that firms reward new customers by offering them lower prices. A decrease in price has the same impact on the consumer’s utility as an increase in quality. In terms of customizing quality, this finding from the BBP literature seems to suggest that firms reward new customers by offering them higher-quality service to lure them to switch. However, our results show that the opposite is true. By allowing firms to customize both quality and prices, we find that firms provide higher-quality service for repeat customers compared to new customers. In other words, firms reward repeat customers on the quality dimension to encourage them to stay. Our results also indicate that when firms customize quality, they still reward new customers on the price dimension by offering them lower prices than what repeat customers pay. This finding provides one theoretical framework that reconciles the difference between the BBP literature and the prevalence of loyalty programs; that is, firms reward repeat customers on the quality dimension and penalize them on the price dimension. This finding also implies that managers should reward different types of customers with the right marketing attribute.
Second, we also find that quality customization intensifies price competition in the first period when firms acquire initial customers. This is because with quality customization, by offering repeat customers higher-quality service than what new customers receive, firms are more able to retain repeat customers in the second period. Anticipating this effect, firms cut prices in the first period to compete aggressively for initial customers, because customers are more likely to stay with them to enjoy the enhanced service in the second period. Thus, firms’ profits in the first period decrease with quality customization.

Third, although quality customization increases second-period profits, the increase is offset by the decrease in the first-period profits. Firms’ total profits over two periods decline with quality customization. Our analysis shows that firms have incentives to unilaterally customize quality. When both firms customize quality, they make lower profits than when they do not customize quality. Therefore, quality customization is a prisoner’s dilemma. In addition, quality customization improves consumer surplus and social welfare.

**Key Contributions**

This research makes several theoretical contributions. First, it contributes to the behavior-based pricing (BBP) literature by revealing the unique effects of quality customization beyond the effects of BBP. Our results on how firms set discriminatory quality levels for repeat and new customers, how quality customization affects second- and first-period prices and profits are new insights to the BBP literature. Second, this research illustrates the different mechanisms of customizing quality and customizing prices. The mechanisms that firms customize quality to soften second-period price competition by dissuading competitive poaching and that anticipating increased repeat purchase due to quality customization, firms reduce prices in the first period to compete for initial customers are new to the BBP literature. Third, this research provides a theoretical framework that reconciles the mixed findings in the BBP and loyalty program literature that suggest, on one hand, penalizing repeat purchase and, on the other hand, using loyalty programs to reward repeat purchase. We show that firms penalize repeat purchase on the price dimension and reward repeat purchase on the quality dimension. From managers’ perspectives, the results highlight the importance of rewarding different types of customers with the right marketing vehicles. Specifically, firms should reward repeat customers with higher-quality service and reward new customers with lower prices. Managers should also understand that customer retention will increase with quality customization. Therefore, they need to reduce first-period prices to acquire customers and build up their customer base.

*References are available on request.*
Across Space and Place: How Cultural and Institutional Differences Explain Consumer-Brand Relationships’ Differential Effects on Brand Loyalty

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Keywords: brand relationship, customer brand loyalty, metaanalysis, cultural moderators, institutional differences, branding

Description: Research on consumer-brand relationships (CBR) has examined the CBR—brand loyalty link, but surprisingly little is known about the cultural and institutional settings that enable this link. We metaanalyze how and why different CBR constructs (e.g. love, identification) drive loyalty better in some cultural and institutional contexts than others.

EXTENDED ABSTRACT

Research Question
How and why particular consumer-brand relationship constructs (e.g. love, identification) drive customer brand loyalty better in some cultural and institutional contexts than others?

Method and Data
Data collection involved two stages. For the metaanalytic part of the dataset, we undertook a search of all relevant literatures that touched on the linkage between CBRs and customer brand loyalty. Using studies found from October 1995 (following what can be construed as the establishment of the CBR field by Susan Fournier in 1994) through August 2015, including articles in press at that time, our final database consists of 304 brand relationship elasticities from 143 studies reported in 127 publications based on data from 179,395 respondents. The samples were drawn from 35 countries. For the country-level moderators, we included data corresponding to the year of data collection and country of each observation in the metaanalytic dataset. This approach allows us to maintain the match between the specific time period and geographic setting of the metaanalysis data, and the corresponding period and setting of the moderators data. Overall, we examine the proposed moderating effects on a combined dataset with a multilevel modelling approach. Specifically, we conduct the analysis using two-level hierarchical linear model (HLM) in line with Bijmolt and Pieters (2001) and You, Vadakkepatt, and Joshi (2015). We estimate the model using the ML estimation method as it produces robust, efficient, and consistent estimates (Hox 2002; Singer and Willet 2003).

Summary of Findings
The indulgence versus restraint dimension is a significant moderator, such that the effect of all five different brand relationships on customer brand loyalty is significantly more positive in restrained cultures ($\beta_{trust} = -.35, p < .001; \beta_{love} = -.54, p < .001; \beta_{attachment} = -.42, p < .001; \beta_{identification} = -.66, p < .001; \beta_{self-brand connection} = -.55, p < .001$). Individualism versus collectivism is also significant, such that the impact of each of the five brand relationships on loyalty is more positive in collectivist cultures ($\beta_{trust} = -.46, p < .001; \beta_{love} = -.51, p < .001; \beta_{attachment} = -.47, p < .001; \beta_{identification} = -.56, p < .001; \beta_{self-brand connection} = -.60, p < .001$). In terms of masculinity versus femininity, we show that the link between brand trust and loyalty is significantly stronger in feminine societies ($\beta_{trust} = -.38, p < .001$). We examine the influence of identity-relevant CBRs (self-brand connection, identification) on cus-
Customer brand loyalty in countries that are high versus low on power distance and find that in cultures higher on power distance dimension, the positive effect of self-brand connection-based and identification-based relationship loyalty is stronger ($\beta_{self-brand\ connection} = .45, p < .002; \beta_{identification} = .30, p < .001$). Further, compared to countries that are high on economic globalization, countries that are comparably less economically globalized exhibit stronger positive influence of brand identification on loyalty ($\beta_{identification} = -.17, p < .009$). Finally, countries that were lower on voice and accountability showed stronger brand identity-loyalty effects ($\beta_{identification} = -.41, p < .001$) as did less urbanized countries ($\beta_{identification} = -.25, p < .004$). However, similar moderating effect of voice and accountability as well as the level of urbanization did not emerge for the self-brand connection-loyalty link ($\beta_{self-brand\ connection} = -.19, p = .176$ and $\beta_{self-brand\ connection} = -.09, p = .490$).

**Key Contributions**

Our approach of tying metaanalysis to country-level factors is new to the consumer-brand relationship literature. We make several theoretical and practical contributions. Theoretically this work helps to identify what particular brand relationships drive loyalty most effectively under particular cultural and institutional settings (Eisingerich and Rubera 2010). Second, we contribute to the work on cross-cultural consumer behavior and cross-cultural research in general (Al Omoush et al. 2012; Hofstede and Bond 1984; Lam et al. 2009) by providing a more nuanced understanding of the differential influence of cultural dimensions in a branding context.

Practically, our findings suggest that it may be critical to approach selection and fostering of brand relationships differently based on the types of cultures and institutional contexts in which brand and market strategists operate. For example, investing in identification-based brand relationship is advisable in high power distance cultures, in societies with low levels of economic globalization, voice, and accountability, as well as countries with low urban population percentage. As a whole, brand loyalty building efforts may be optimized by adopting a refined approach whereby brand and market strategists match brand relationships to the specific cultural and institutional contexts in question. This also potentially speaks to segmentation and targeting efforts, for instance by suggesting that it may be necessary for brand managers to communicate with rural consumers differently than their urban counterparts.

*References are available on request.*
Research Question
Brand love has become one of the latest trends in the past few years. Most research on brand love from the social identity perspective has focused on brand identification as a determinant of brand love (Delgado-Ballester, et al., 2017). Research distinguished two self-related bases of consumer-brand relationships: value expressive, relationships that serve to express consumers’ identities (similar to “identification”); and social adjustive, relationships that allow ones to fit into important social groups or situations (Ashworth, Dacin, and Thomson, 2009). This study extends prior research on brand love by investigating the role of social adjustive, which refers to the brand’s ability to create social desired impression for consumers (Ashworth, et al., 2009), as a potential antecedent of brand love. Particularly, this research addresses the following research questions: How does social adjustive influence brand relationship outcomes? and What are the contingent roles of brand love and brand identification in the relationship between social adjustive and brand relationship-related outcomes? The significance of this research also lies with its contribution to emerging market research stream that needs research to maintain theoretical sensitivity and managerial relevance (Sheth, 2011).

Method and Data
This survey research selected Vietnam as research site and conducted with fashion clothing consumers. Data collection was undertaken using a mall intercept survey, collecting a total of 400 completed questionnaires. Respondents answered the questionnaires comprising scale items of constructs in the research in relation to fashion brands they bought in the last six months. The scale items were adopted from literature: Brand identification (Mael and Ashforth, 1992). Brand loyalty and positive WOM (Lam, et al., 2012; Zeithaml, Berry, and Parasuraman, 1996), brand love (Bagozzi, et al., 2017), social adjustive (Ashworth, et al., 2009). The hypotheses were tested using partial least squares structural equation modelling (PLS-SEM) in SmartPLS 3 (Ringle, Wende, and Becker, 2015).

Summary of Findings
All but two hypotheses (H5a, H5b) are supported. Social adjustive has positive effects on brand love (β = 0.41, p < 0.001), brand loyalty (β = 0.29, p<0.001) and positive WOM (β = 0.26, p<0.001), thus supporting H1, H2a, and H2b. To assess the mediation paths and respective significance of indirect effects, this study calculated effect sizes and applied Sobel mediation test (MacKinnon, Lockwood, Hoffman, West, and Sheets, 2002; Preacher and Leonardelli, 2018; Taylor, MacKinnon, and Tein, 2008). The results reveal brand love has statistically significant mediating effects on the relationships between social adjustive and brand loyalty (αβ = 0.18, p < 0.001), as well as social adjustive and positive WOM (αβ = 0.13, p < 0.001), supporting H3a and H3b. The results for H2a, H2b, H3a and H3b suggest that brand love partially mediates the relationships between social adjustive and two relationship outcomes (brand loyalty and positive WOM). The results also reveal that brand identification strengthens the positive relationship between social adjustive and brand love (β = 0.12, p < 0.01), but does not moderate the relationship between social adjustive and (a) brand loyalty (β = 0.02, nonsignificant) and (b) positive WOM (β = 0.03, nonsignificant). As the SmartPLS output also finds that statistically insignificant direct links between brand identification and (a) brand loyal and (b) positive WOM, it is plausible that the two hypotheses H5a, H5b are not supported because of this.
Key Contributions

This study contributes to the extant literature by suggesting that social adjustive could be a determinant of brand love. The results reveal that the more people believe that brand can deliver them desired impressions, the more they love the brands. Prior research in the social identity perspective has dominantly focused on brand identification that taps into the self-definition/expressive goal motivating consumers to engage into the relationships with brand (Lam, et al., 2012; Tuškej, et al., 2013). Provided the meaningful distinction lower-order impression goals such as value-expressive (similar to “identification”), social adjustive and affiliation (similar to “social identity” or “sense of brand community”) (Ashworth, et al., 2009), no published research has studied the effects of social adjustive on brand love. According to the self-expansion theory, love emerges as one expands their self by including others’ resources (Aron and Aron, 1996). Therefore the empirical evidence concerning the linkage between social adjustive and brand love also lends support for this proposition in the context of consumer-brand relationships.

Another major contribution of the present paper is the complex analysis of the mechanism through which social adjustive generates brand love and brand relationship outcomes. The new insight obtained from testing results of mediation hypotheses has to do with effect exerted by social adjustive on brand loyalty and positive WOM. The result shows that brand love partially mediates the relationship between social adjustive and brand relationship outcome (brand loyalty and positive WOM); therefore, the consumers can be loyal or have positive words about a brand that could bring a social impression for them without loving it, and indirectly through their love of it. The mediating role of brand love is consistent prior research that suggests affective constructs to mediate various relationships (Bagozzi, et al., 1999; Esch, Langner, Schmitt, and Geus, 2006).

The result of the testing of the moderated mediation model suggests that brand identification elevates the positive relationship between social adjustive and brand love. This means that while consumers may have to choose a brand so as to impress others and attain a desired social self, the more overlapping between the brand and their private self can elevate the impact of the brand’s social approval benefits on brand love. Lastly, while majority of existing studies conducted in Western, developed countries, the empirical evidence from this study extends consumer-brand relationship literature toward an Asian emerging market setting to validate brand relationship concepts at different economic and cultural environment.

Practically, the result concerning the positive relationship between social adjustive and brand love suggests marketers to consider focusing on social approval values for the brands, e.g. considering transformational communication tactics to serve the consumers’ social approval motives suggests by Rossiter, Percy, and Donovan (1991). The creation and maintenance of a brand community also may favour consumers’ social adjustive, and should take a clear aim at delivering social impressions for the consumers rather than just providing a forum. Brand love mediates partially the relationship between social adjustive and brand relationship outcomes, thus this should convince marketers to consider strategies to build brand love. Moreover, the moderating effect of brand identification in the relationship between social adjustive and brand love suggests marketers should select brand identities that consumers can identify with while deliver social impression for them as well. For example, in a collectivistic context as in this research, the design of brand identities may need to harmonious with the culture and social system.

References are available on request.
Antecedents and Consequences of Consumers’ Online Brand-Related Activities (COBRAS) on SNS Brand Pages

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Keywords: social media, social networking sites, brand pages, consumer motivations, consumers' online brand-related activities, consumer behavior

Description: This article investigates consumers' motivations as antecedents and word of mouth as a consequence of consumers' online brand-related activities (COBRAS) on SNS brand pages.

EXTENDED ABSTRACT

Research Question
This study addresses two research questions:

RQ1: What are the effects of information, entertainment, social interaction, and remuneration motivations on consuming, contributing, and creating behaviors of SNS brand page followers?

RQ2: What are the effects of consuming, contributing, and creating behaviors on word of mouth of SNS brand page followers?

Method and Data
From an online panel maintained by a large German market research agency, this research identified 359 Facebook users who follow (“like”) at least one of 55 brands, across three industries (food, automobile, restaurants), to be surveyed. The construct measures used five-point Likert-type scales (1 = strongly disagree, 5 = strongly agree) and reflected existing scales. The data were analyzed using IBM SPSS Statistics 24 and IBM SPSS AMOS 24.

Summary of Findings
Information motivations do not significantly affect consuming, contributing, or creating behaviors on SNS brand pages. Entertainment motivations positively affect consuming behavior but have no effect on contributing and creating behaviors. Social interaction positively affects all COBRAs, reflecting a defining characteristic of SNS as a source of social interaction. Remuneration positively affects contribution and creating behaviors but has no effect on consuming behavior. Regarding the word of mouth as consequence of COBRAs, only consuming behavior has a positive effect, but not contributing and creating behaviors.

Key Contributions
This study contributes to literature on SNS brand pages by highlighting the important role of consuming behavior for word of mouth as brand-related outcome and by identifying social interaction and entertainment as important antecedents. Consequently, managers should go beyond measuring just the number of likes, comments, and shares. They also should measure if consumers read, view, listen to, watch, play, and download brand-related content on SNS brand pages. In addition, they should ensure that their SNS brand pages enable social interaction and deliver entertainment. This study also identifies important motivations for contributing and creating behaviors (i.e. social interaction and remuneration), which are important for SNS brand pages due to their enriching (i.e. delivering additional brand-
related content) and enhancing (i.e. increasing the reach of SNS brand pages) function. Consequently, managers might offer remuneration, in addition to enabling social interactions. In contrast, delivering information does not trigger any COBRAs, so brands cannot rely on their Facebook brand pages as primary channels for delivering information.

Finally, with evaluations of 55 Facebook brand pages from three industries obtained from a sample that not only covers both genders equally, but also covers a wide range of age groups, this study possesses a broad empirical basis.

*References are available on request.*
Mind or Heart? What Matters Most When Consumers Value Brands

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Keywords: brand equity, affect, cognition, consumer behavior, panel data

Description: This study investigates the relative role of affective and cognitive metrics in predicting brand equity and its outcomes.

EXTENDED ABSTRACT

Research Question
Prior marketing and psychology literature provided evidence that consumers form affective and cognitive evaluations of brands that affect behavioral outcomes as a response to firms' marketing actions. However, existing brand equity metrics predominantly consist of cognitive measures. Attitudes literature extensively investigated cognitive responses when consumers evaluate brands and form attitudes. While acknowledging the importance of affect, it has long been subsumed into brand attitude. Prior studies have confirmed that a distinction between cognition and affect is indispensable and that both constructs exert a distinctive influence on attitudes. Attitude-relevant affect is often termed as "cold affect" based on beliefs about a brand. In contrast, affect based on emotions reflects a "hot affect." The latter is argued to be conceptually, psychologically, and behaviorally different from brand attitudes. This study aims to contribute to prior research by investigating the relative importance of hot affect in the prediction of brand equity, behavioral intentions, and actual behavior across three categories.

Method and Data
Answers to the formulated research propositions are provided with panel data of 1,292 respondents who participated in two consecutive years of data collection on consumer mindset metrics. The survey included attitudinal, intentional, and behavioral measures. A fixed-effects panel regression is applied to estimate the models in the proposed framework. Self-reported recommendations and purchase quantities are modeled with Poisson regression given the count data for consumer responses.

Summary of Findings
The results suggest that affect is a pivotal dimension for brand equity prediction across categories. Its significance is even more pronounced for product categories that are characterized by hedonic consumption motives as utilitarian categories are mainly driven by cognitive measures. The role of affect in influencing consumer marketing outcomes with increasingly hedonic categories could be ascertained. Furthermore, the results suggest that purchase decisions are associated with brand affect primarily for hedonic categories while recommendations are influenced by cognition mainly for utilitarian categories.

Key Contributions
With a vast number of brand equity metrics that are offered by academia and practice, brand managers are challenged to select appropriate ones. The results of this study emphasize the importance of incorporating affective components into the prediction of brand equity and brand equity outcomes. Building strong brands involves understanding how to relate and connect to the consumer. As they develop relationships with brands that involve emotional bonds and complex feelings, it is indispensable to consider affect and track how a brand performs on this dimension to reap the benefits of strong consumer commitment. Hence, affective evaluations of a brand possess distinctive properties that may be crucial to a comprehensive understanding of brand equity. Furthermore, product category plays a considerable role in moderating the importance of affect. Brand managers in charge of hedonic products are specifically called to action although affect is a critical component in utilitarian categories as well. The prediction of brand equity and consumer behavior should therefore account for category characteristics.

References are available on request.

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When Someone’s Gain Is Someone Else’s Loss: Evidences Through Individual Oppositional Loyalty

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Keywords: oppositional loyalty, individual oppositional loyalty, chosen brand, discarded brand

Description: This paper sheds light on the existence of Individual Oppositional Loyalty and its impact on both chosen and discarded brands.

EXTENDED ABSTRACT

White and Dahl (2006) called for studying cases of loyal consumers who are motivated both by brand attraction and the desire to not be associated with brand and its group. So far, brand loyalty has been defined as a repetitive buying behavior together with a positive attitude toward the chosen brand. Through this study of individuals’ oppositional loyalty (IOL), brand loyalty acquires a new component borrowed from brand rejection and avoidance literature (Lee et al. 2009). Moreover, we note that contributions on oppositional loyalty (OL) were interested in brand communities’ members (Muniz and Hamer 2001; Muniz and O’Guinn 2001). This cannot tell the extent of phenomenon presence especially that the momentum that comes from the group meaning and affiliation immerses individual in this euphoria of “deindividuation” (Zimbardo 1969). Paradoxically, OL of community members does not necessary prevent them from purchasing competition products (Thompson and Sinha 2008). Then, it would be more interesting to consider OL concept outside of group pressure and influence, i.e., noncommunity members. Thus, examination of potential of IOL to enrich loyalty concept deserves attention as it could help understanding that type of loyalty that would immunize consumers from going to competition as well as avoiding brand bigamy.

Research Question

This study investigates IOL extent and its impact on both brands through this question: does individual oppositional loyalty exist and how it impacts both chosen and competitive brands?

Loyal consumers LC tend to spread positive WOM, to recommend it and to purchase the same brand (Gounaris, and Stathakopoulos 2004). OLC express their loyalty through dual behaviors that are positive and negative towards, respectively, brand(A) and brand(B) (Muniz and Hamer 2001). Then, H1 and H2 compare OLC and LC in terms of behaviors intensity towards both brands.

H1: OLC show more positive behaviors towards their brand(A) than LC
H2: OLC show more negative behaviors towards their brand(B) than LC

OLC tend to show negative behaviors towards the discarded brand (Marticotte et al. 2016; Ewing et al. 2013; Hickman and Ward 2007, Muniz and O’Guinn 2001). In parallel, disliking consumers (DC) usually avoid purchasing the brand, spread negative WOM and warn against it (Hegner et al. 2017; Zarantonello et al. 2016). Then, H3 and H4 compare OLC and DC in terms of behaviors intensity towards brand(A) and brand(B).

H3: OLC show more positive behaviors towards their brand(A) than DC
H4: OLC show more negative behaviors towards their brand(B) than DC

Method and Data

Oppositional loyalty is likely to emerge in highly competitive markets (Muniz and O’Guinn 2001) hence smartphone brands choice.
Data collection was realized through qualitative and quantitative methods. First, interviews with 45 male and female informants from different socio-professional classes. Transcribed interviews were coded using Nvivo software. Thematic content analysis was realized through a priori and a posteriori coding (Miles and Huberman 2003) and moving from *emic* coding to *etic* coding (Belk et al. 2013). Second, to capture current attitudes and behaviors, a survey inspired by both Muniz and Hamer’s (2001) definition and identified themes in qualitative phase, was realized amongst 821 smartphone consumers (mean age = 26; SD = 7, 393 men, 428 women). The questionnaire measures variables about both brands, i.e., chosen and discarded: 3 items attitudinal loyalty scale (Goodstein et al. 1990) where \( \alpha_{\text{Attitude}_A} = 0.909 \) and \( \alpha_{\text{Attitude}_B} = 0.798 \), WOM (Herrmann and Huber 2006), recommendation/warning (Herrmann and Huber 2006), and behavioral loyalty, i.e., purchase intention (Chaudhuri and Holbrook 2001). Data were then processed using SPSS 22 software.

We adopted the following labeling to identify different consumers profiles based on their attitudes towards chosen brands and discarded brands: OLC (37.2%), LC (43.1%), and DC (4.1%). Two T-tests were realized to test our hypotheses.

**Summary of Findings**

*Oppositional loyalty reality.* Content analysis shows IOL existence outside brand communities, but it is less visible. OLC showed a dichotomous discourse highlighting positive attitude towards brand(A) and negative attitude towards brand(B) while not belonging to brand communities. This reflects this polarization in OLCs mind around both brands which allows them to derive value from this opposition. Also, OLC behaviors seem to be less perceptible compared to a communities’ member.

*OLC are different from LC and from DC.* First T-test results are significant (1%) and show that OLC is not different from LC in terms of behaviors towards brand(A). They would spread positive WOM, recommend and intend to repurchase it. However, OLC are more likely to spread negative WOM about it, warn people against it, and are less likely to consider it for future purchase, than LC. Second T-test results are significant (1%) and show that OLC are not different from DC in terms of behaviors towards brand(B). They would spread negative WOM, warn people against it and are less likely to purchase it. However, OLC are more likely to spread positive WOM about it, recommend it, and are more likely to consider it for future purchase, than DC.

**Key Contributions**

This research focuses on individual IOL that has been confined far too long to brand communities. It study advances understandings of loyalty for academics; by assuming its existence at individual level, loyalty shifts from dyadic form consumer-brand(A) to triadic one consumer-brand(A)-brand(B). We contribute to a more complete understanding of loyalty by demonstrating that it can be expressed through simultaneous adoption of brand(A) and rejection of brand(B).

This research has important implications for brand managers by highlighting consumers’ contribution to brand either as an asset or as a liability; results demonstrate IOL is expressed dually: repurchase behavior, positive WOM for the chosen brand(A) and avoidance, negative WOM and warning against competitive brand(B). Then, this research seeks to maintain that linking literature on symbolic consumption (Sirgy 1982; Solomon 1983) and anticonsumption (Hogg 1998; Lee et al. 2009) helps giving a better view of the actual interaction between them under IOL phenomenon. This way, loyalty dynamics is no more perceived as zero-sum-game. In other words, OLC that a brand(A) acquire, are not only a loss for brand(B), but also generate negative impact on this rejected brand asset through negative behaviors. These results also contribute to Berger’s (2014) call to investigate WOM behavior.

References are available on request.
Brand Communities: A Literature Review and Future Research Agenda

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Keywords: brand community, systematic literature review, marketing strategy, customer experience management

Description: We reviewed the body of research on the brand community over the past two decades and aim to provide scholars with a better understanding of the current status of this vein as well as the important findings from this research.

EXTENDED ABSTRACT

Research Question
In marketing, brand communities have long been recognized as a critical phenomenon in the marketplace. Since the early work of Muniz and O’Guinn published in 1996, scholars have accumulated growing insights and knowledge from two decades of research. In particular, a growing body of research has examined the characteristics of brand communities (McAlexander, Schouten, and Koenig 2002a), consumer participation in the community (Thompson, Kim and Smith 2016), brand communities’ impact on product performance (Thompson and Sinha 2008) and brand community ecosystems (Gyrd-Jones and Kornum 2013). However, little has been done to synthesize findings from this research nor to identify future research avenues.

To fill this gap, we review extant research in brand communities. Specifically, we focus on research published in major marketing journals, including Journal of Marketing, Journal of Marketing Research, European Journal of Marketing, Journal of Academy of Marketing Science, Journal of Consumer Research, and Journal of Business Research. We were then able to identify three main streams of research within this domain: (1) the characteristics of brand communities as a social entity; (2) different forms of customer participation within the brand communities; (3) firm-level brand community strategy.

Summary of Findings
Among the selected articles, we identified a clear distinction in terms of their research focus. The first stream of this research focuses on exploring distinct characteristics of brand communities, such as the nature of brand communities (e.g. Muniz and O’Guinn 2001), the structures of brand communities (e.g. Zaglia 2013), and the properties of brand communities (e.g. Muniz and Schau 2005). This stream of research enables scholars to better understand the ongoing development of brand communities. The second stream emphasizes interactive patterns within brand communities by examining different participation activities among members. This stream explores how members’ emotions and behaviors relate to several brand community issues, including customer empowerment (Cova and Pace 2006), customer engagement (Brodie et al. 2013), and community participation (Thompson, Kim, and Smith 2016). This stream has received the most attention from researchers, reflecting a recent paradigm shift in marketing that advocates creating firm value from engaging customers and enriching customer experience (Kumar 2015; Schau, Muniz, and Arnould 2009). The third stream studies brand community as a distinct firm-level strategy. This research stream is an emerging one that has promising potential for future research. The following sections will discuss these three streams in detail.

Key Contributions
The brand community has been a fascinating phenomenon since its emergence and gained increasing popularity among practitioners and researchers. We reviewed the body of research on the brand community over the past two decades and aim to provide scholars with a better understanding of the current status of this vein as well as the important findings from this research. In so doing, we identified three major streams in this literature: (1) characteristics of brand commu-
nities; (2) different forms of customer participation within brand communities; (3) firm-level brand community strategy. We also provided a set of recommendations for future research. In sum, a brand community is a multilateral ecosystem involving different stakeholders. It is a promising research area that can be studied from multiple theoretical perspectives. Regarding the unit of analysis, research of brand communities has been focused extensively on customers. We call for more attention to explore the roles that brand communities in synthesizing with other firm strategies.

References are available on request.
Research Question
Customer feedback solicitations have become nearly ubiquitous: When buying products online, consuming meals in a canteen or going through airport security, one would be hard-pressed not to be asked for customer feedback. “HappyOrNot,” a leading Finnish startup in this area, reported that its feedback terminals have generated over six hundred million responses, more than the total number of online customer ratings posted on Amazon, Yelp, or TripAdvisor (Owen, 2018).

The increasing importance of customer feedback is not only felt by customers, but also by managers. In 2016, 94% of 503 U.S. business executives agreed that listening to customer feedback is increasingly critical to the bottom line (hundredx, 2016).

However, previous research has not focused on how being asked for and giving feedback impacts consumers. Both practical advice and scientific research rather focus on how to get many consumers to provide feedback and how to best make use of customer feedback.

Therefore, the purpose of this research is to investigate how different mechanisms to solicit and measure customer feedback impact the feedbacking customers’ evaluations of the consumption experience.

Method and Data
Ninety-four participants recruited from Amazon Mechanical Turk took part in the main study. Participants were told that they would watch and evaluate a movie. While watching the movie, they had to indicate how much they were enjoying the movie every thirty seconds on a seven-point Likert scale. Subsequently, the computer randomly assigned participants to one of the feedback conditions, which were either writing or thinking. In the writing condition, participants had to provide feedback on the movie in writing. They had to write five texts: One text per systematic cue identified in a prestudy. In the thinking condition, participants had to provide feedback on the movie with the help of seven-point Likert scales. There was one Likert scale per systematic cue identified, i.e. five scales in total. After completing the feedback, the participants were asked to fill in the evaluation sheet.

Summary of Findings
The research addresses a critical but understudied issue in marketing: The impact of customer feedback on the feedbacker. It shows that written customer feedback influences customers’ evaluations of consumption experiences, as well as their intentions to broadcast their experience (i.e. share the movie with many other people) and the perceived strength of their tie to the provider of the experience. Specifically, written feedback has shown to dampen evaluations of consumption experiences, i.e. makes evaluations less extreme.

Key Contributions
This approach contributes to prior work on providing feedback in several ways:
First, in contrast to previous research, which focused on how to best use the data gained from customer feedback, I investigate the effects of soliciting and measuring realistic feedback mechanisms on the customer.

Second, while the previous study on soliciting and measuring customer feedback by Bone et al. (2017) varied the feedback questions and their requested valence, I broaden existing theory by holding the questions constant and instead varying the way they are measured.

Finally, I provide the counterintuitive advice to practitioners to not make feedback easy and to not focus on high feedback scores. Rather, companies should aim to make customers think and understand their consumption experience, as this can lead to stronger and more favorable evaluations of companies’ products or services.

References are available on request.
Orchestrating Customer Experience of the Bank Sector in Kuwait: The Mediating Role of Relationship Quality

Abdullah J. Sultan, Kuwait University

Keywords: customer experience, relationship quality, customer satisfaction, switching intentions

EXTENDED ABSTRACT

Research Question
1. To identify and validate significant brand touchpoints of the customer experience in the bank sector
2. To expand the literature by shedding light on how the customer experience depends on relationship quality and what role relationship quality has in switching intentions
3. To introduce a research methodology which can assist researchers and practitioners in designing an effective customer experience strategy that will generate value for both customers and the brand.

Method and Data
The researcher utilizes customer data from banks in Kuwait and combines qualitative and quantitative research in three studies to provide evidence to distinguish four different customer experience stages in the bank sector, construct a staged customer experience construct, and use SEM analyses to validate the constructs and test for the examined relationships.

Banks, worldwide, face intense competitions to maintain and grow their customer bases and convert them into brand advocates. In an era of rising customers’ expectations, more banks than ever will struggle and fail. To make the matter worse, customers are no longer seeking to purchase industry-standard products and services or access typical customer service and support. In fact, memorable experiences are what customers are after to keep them from switching to other banks. Compared with few years ago, four in 10 consumers find themselves evaluating other brands more often (Accenture 2014). An alarming fact that puts many banks on the edge of losing their customer bases and miss substantial growth opportunities if they continue to fall short of consumers’ expectations.

In its 2014 global consumer pulse survey assessing consumer attitudes toward customer experience, the consulting firm Accenture found differing levels of satisfaction among ten industry sectors. Due to poor customer service, banks, internet service providers (ISPs), and wireless phone companies had the highest levels of switched customers. Only 18 percent of customers agreed that their provider offered a tailored experience. This consistent poor service performance by companies has continued in recent years, as shown by the decrease in the American Customer Satisfaction Index (ACSI) to its lowest levels in nine years (Crosby and Brandt, 2016).

Similarly, the overall customer satisfaction level of retail banks in Kuwait was below the national average indexed level in 2017 (Servicehero, 2017). Moreover, the Net Promotor Score (NPS) of the bank sector in Kuwait was at 30 percent in 2017, while the country average was at 33 percent. When evaluating banks at the individual level, one can easily identify laggards simply by looking into their customer experiences. On the other hand, industry leaders are recognized by their memorable customer experiences, which give them outstanding reputations in the market. It is no secret that customers appreciate banks not for great products and services, which are taken for granted nowadays, but for exceptional experiences in their encounters with the bank. Therefore, customer experience seems to be a critical element of customers’ evaluations of banks. If designed correctly, those experiences can harness customers from switching to other banks.
Although customer experience has received a great attention by practitioners, researchers are still in their early stages to examine customer experience compared to related topics such as customer satisfaction, service quality, and loyalty (Chang and Huang, 2016; Frow and Payne, 2007; Johnston and Kong, 2011). The importance of this paper stems from the assertion that delivering a memorable customer experience is a key to preventing customers from switching to other banks. Therefore, the current researcher claims that switching intentions may be influenced by factors associated with the type of the experience that the bank offers to its customers and relationship quality that is developed through customer experience.

The current research contributes to the customer experience literature in threefold: (1) to identify and validate significant brand touchpoints of the customer experience in the bank sector, (2) to expand the literature by shedding light on how the customer experience depends on relationship quality and what role relationship quality has in switching intentions as portrayed in Fig. 1, and (3) to introduce a research methodology which can assist researchers and practitioners in designing an effective customer experience strategy that will generate value for both customers and the brand.

In Study 1, the researcher identified the construct items of staged customer experience in the bank sector by interviewing 60 customers at six branches in Kuwait. Two researchers conducted the interviews for a period of one month. The interviews were coded by two experts in the field. Then, the coded thoughts were used to form the brand touchpoints in time sequence. The 73 brand touchpoints that were identified from the interviews were then used in Study 2 as the construct items of staged customer experience.

To examine the dimensionality of staged customer experience construct, an exploratory factor analysis (EFA) was performed on a sample of 96 bank customers in Kuwait using Maximum Likelihood with Promax rotation for all 73 touchpoints. The EFA resulted in four unique factors. Each stage of the staged customer experience (pretouch, in-touch, posttouch, and service failure) loaded on a separate factor. The disqualifications of items resulted in reducing the number of staged customer experience items from 73 to 22 items that loaded on four unique factors. The qualified items were distributed as follows: four items from pretouch stage, eight items from in-touch stage, three items from posttouch stage, and seven items from service-failure stage.

In Study 3, the researcher examined the predictive validity of the staged customer experience construct and showed that users’ evaluations of the staged customer experience predicted their levels of switching intentions. Also, Study 3 was designed to examine the role of the relationship quality as a mediator that explained the indirect effect of the staged customer experience on switching intentions. In this study, the researcher used the same recruiting method that was used in Study 2 in order to capture a diverse sample of bank customers in Kuwait. The recruiting procedure resulted in an independent sample of 1,532 bank customers, ranging from 18 to 63 years old with an average age of 28.90 (SD = 9.92) and the sample consisted of 960 females and 572 males. Data collection procedures were similar to those reported in Study 2. Participants were asked to provide demographic information and then were asked to rate the 22 touchpoints in terms of satisfaction and importance. These two questions were multiplied to form the staged customer experience construct (α = .91 with 52.52% of explained variance). In addition to completing the staged customer experience construct, participants also evaluated their overall satisfaction with the bank using two items adapted from Crosby and Stephens’s (1987) scale and their trust in the bank using two items adapted from Sirdeshmukh’s et al. (2002) scale. The satisfaction and trust scales were both used to reflect on the relationship quality construct (α = .87 with 76.56% of explained variance). Last, customers’ switching intentions was measured using three items (α = .95 with 76.51% of explained variance), adapted from Meuter’s et al. (2005) switching cost scale. All Likert-type scale items on the survey required a response on a 7-point scale.

Measurement model. When constructing the measurement model using the 22 staged customer experience items, four relationship quality items, and three switching intentions item that were suggested in Study 2, the findings showed that the model had adequate fit (Chi-square = 1638, df = 369, \( p < .001 \), CFI = .95, NFI = .94, GFI = .93, AGFI = .92, RMSEA = .05). All 22 standardized factor loadings of all constructs were significant at \( p < .05 \); indicating good construct structure in the model, refer to Table 1.

In line with Fornell and Larcker’s (1981) recommendations, the researcher used several validity measures to assess all latent constructs prior to estimating the structural model. As shown in Table 2, convergent validity was assessed using composite reliability (CR) where all values of model constructs exceeded the minimum of .7, ranging from .71 to .90; and average variance extracted (AVE) measure for relationship quality and staged customer experience constructs to be above the minimum level of 50% (63% and 70%, respectively). However, the AVE for switching intentions was a little below the minimum level (47%). These results provided support for convergent validity of model’s constructs. Then, discriminant validity of latent constructs was established by showing that AVEs for each latent construct exceeded their correlations with the other constructs. These
results confirmed that each construct was explained primarily by its indicators rather than its associations with other latent constructs.

**Structural model.** To arrive at the best fitting structural model, the researcher estimated three versions of the proposed model: direct-effects model, fully mediated effects model, and partially mediated effects model. In the direct-effects model, the research tested the direct impact of the staged customer experience and relationship quality on switching intentions. Obtained results showed generally adequate fit (Chi-square = 2494, df = 370, $p < .001$, CFI = .92, NFI = .90, GFI = .90, AGFI = .88, RMSEA = .06). Next, the fully mediated effects model was estimated and yielded improved fit (Chi-square = 1639, df = 370, $p < .001$, CFI = .95, NFI = .94, GFI = .93, AGFI = .91, RMSEA = .05). The goodness of fit for the partially mediated effects model was found to be identical to the fully mediated model (Chi-square = 1638, df = 369, $p < .001$, CFI = .95, NFI = .94, GFI = .94, AGFI = .91, RMSEA = .05). Therefore, the partially mediated model did not explain more than the fully mediated model and hence the fully mediate model was chosen to be the best fit for the proposed research, refer to Fig. 2.

Overall, the data provided empirical evidence for the indirect role of the staged customer experience on switching intentions through relationship quality. The four stages that were identified by the bank customers in Study 1 were used as a base of evaluations for the staged customer experience in Study 2 and 3. In Study 2, the staged customer experience was validated and purified to arrive at a more reliable, valid index. By conducting Study 3, the researcher was able to examine the predictive validity of the model.

**Summary of Findings**
The research results will show that staged customer experience in banks consists of four related, but distinct stages (i.e., pretouch, in-touch, posttouch, and service failure stages) and that the combined effect of these stages positively influences switching intentions. In addition, the findings will provide empirical evidence to support the assertion that the effect between the staged customer experience and switching intentions is mediated by relationship quality.

**Key Contributions**
The key challenge for researchers and practitioners is to identify critical brand touchpoints that generate value for both customers and the brand. This research provides practical recommendations for management to focus their resources on touchpoints that are valuable for both customers and the brand in order to enhance relationship quality and, as a result, lowering switching intentions. Therefore, this research answers the call for a more appropriate measurement that provides deeper understandings of factors that link customer experience with relational outcomes such as switching intentions.

*References, tables, and figures are available on request.*
Understanding the Complexity of Customer-Company Relationships: Differences in the Drivers and Consequences of Customer Satisfaction and Customer-Company Identification

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Keywords: customer-company identification, customer satisfaction, market characteristics, self-definitional needs, company characteristics

Description: As there is only limited understanding of how customer relationships that are characterized by customer satisfaction differ from those that are characterized by customer-company identification, this study investigates how both relationship concepts differ in their drivers and considers crucial self-definitional needs for engendering customer-company identification, and additionally examines how both concepts differ in their consequences when companies face complex markets.

EXTENDED ABSTRACT

Research Question
How do customer relationships that are characterized by customer satisfaction differ from customer relationships that are characterized by customer-company identification? Specifically, is customer-company identification more difficult to establish than customer satisfaction and do these higher efforts pay off when companies face complex markets?

Method and Data
Hypotheses testing bases on a large-scale data set comprising data of more than 3000 customers of cell phone companies. The conceptual model is analyzed by employing a structural equation modeling approach, which accounts for the nested data structure.

Summary of Findings
Whereas favorable perceptions of company characteristics increase customer satisfaction, company characteristics often have to match to the self-definitional need orientation of the customer to engender customer-company identification. Further, customer-company identification is more robust than customer satisfaction when customers perceive markets as more homogenous.

Key Contributions
First, this study extends research on customer relationship marketing by investigating antecedents of customer satisfaction and customer-company identification in a comparative perspective. Thereby the findings of this study create a deeper understanding of how key company characteristics influence customer satisfaction and customer-company identification.

Second, the study expands research on customer-company identification by revealing the importance of the fulfillment of self-definitional needs when analyzing the effects...
of key company characteristics on customer-company identification.

Third, the study’s findings offer important insights for customer relationship marketing by showing that the favorable effects of customer-company identification are more robust than those of customer satisfaction if customers perceive markets as homogenous.

References are available on request.
The Impact of Thinking About Time Versus Money on Emotional Brand Attachment

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Keywords: emotional brand attachment, thinking about time (money), self-brand distance, brand personality

Description: This research empirically investigates how thinking about time versus money impact consumers' emotional attachment to brands.

EXTENDED ABSTRACT

Research Question
Money and time are arguably the two essential resources enabling action, as well as unavoidable constraints in life. A large body of research has revealed psychologically distinct consequences of time versus money (Macdonnell and White, 2015). Specifically, the two concepts seemingly have opposite effects on interpersonal relationships (Gino and Mogilner, 2014). In reality, people form connections not only with social objects (i.e., humans), but also with non-social objects (e.g., brands). However, the literature on the psychological properties of time and money has largely failed to empirically investigate the active construction of relationships between human and inanimate objects. Marketing research has noted that consumers relate to brands in ways analogous to their relationships with people in social environments, and that brands can serve as relationship partners by constructing significant meanings to consumers’ lives (Fournier 1998). If activating time and activating money have opposite consequences for interpersonal relationships, they may also have distinct consequences for consumers’ emotional attachment to brands. Therefore, our research hope to answer three questions. (1) How does thinking about time versus money impact consumers’ emotional attachment to brands? (2) What is the underlying mechanism driving this effect of time versus money? (3) What factors determine the identified underlying mechanism?

Method and Data
In study 1 we test whether thinking about time lead to a greater emotional brand attachment than thinking about money. Study 1 employed a single-factor between-subjects design. Seventy-one participants were asked to complete a questionnaire that measured their attitude toward time or money. Depending on the questions, the participants were randomly assigned to one of the three conditions. Next, all the participants were asked to think about the iPhone brand and their relationship with the brand, and to rate their level of emotional attachment to the brand. We also measured participants’ perception of their distance from the brand. In study 2, using another manipulation of priming, we replicate study 1 with a brand in a different product category (Coca-Cola). In study 3, through a two-step process, Nike and Li-Ning were selected as representative of the two personality dimensions. Subsequently, 148 undergraduate students participated in the study. The study had a 2 (prime: time vs. money) × 2 (brand personality: exciting vs. sincere) between-subjects design in which time or money was primed using the task similar to that in study 2. Brand strength was included as a covariate.

Summary of Findings
The results of these three studies—conducted across products categories (beverages, cellphones, and athletic shoes) and using different manipulations of time and money priming—provide robust evidence that thinking about time and money affects consumers’ emotional attachment. Specifically, study 1 provides initial evidence that mentioning time is more likely than mentioning money to boost consumers’ emotional attachment to brands, and that this time versus money effect is driven by reducing the perceived distance...
between self and brand. Study 2, using a different manipulation of priming, replicated and extended the findings of study 1 and revealed that the effect of thinking about time (versus money) on consumers’ emotional attachment to brand followed the same general pattern across the product categories. However, in study 3, we found that for sincere brands, which relate more to cognitive than to affective brand perceptions, feelings of self-brand distance are not influenced by reminders of time or money. In this instance, thinking about time was not found to increase emotional attachment.

Key Contributions
This article contributes to work on the downstream effects of time versus money by showing that nonconscious reminders of time and money affects not only interpersonal relationship, but also relationships between human and inanimate objects (i.e., brands). In addition, this article offers a broader perspective on brand attachment by revealing the interesting volatility of consumers’ brand attachment, implying that emotional attachment may have “polygenic” causes based on controllable contextual factors (e.g., time and money cues).

From a practical perspective, the findings of this research provide valuable insights for marketers into the foundation of the time versus money effect. To foster feelings of closeness to a brand, marketers should guide consumers’ attention to easily applied time cues and thus the self-relevant affective experiences offered by the brand. As the salience of time versus money varies between industries, especially when the concept of time or money is relatively uncontrollable, this research may help marketers to implement specific strategies to seek profit while avoiding harm.

References are available on request.
Price, Donation-Based Incentives, and Consumers’ Reactions to Cause Marketing

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Keywords: cause marketing, price, price fairness, donation-based incentives, social media

Description: This paper investigates the roles of price and donation-based incentives on consumers’ reactions to cause marketing (CM), specifically consumers’ likelihood to purchase a CM product and consumers’ likelihood to share their CM product experiences on social media.

EXTENDED ABSTRACT

Research Question
How do price and donation-based incentives impact consumers’ reactions to cause marketing (CM), specifically consumers’ likelihood to purchase a CM product and consumers’ likelihood to share their CM product experiences on social media.

Method and Data
U.S. adults recruited from Amazon Mechanical Turk participated in the three lab studies. Data was analyzed using ANCOVA and PROCESS.

Summary of Findings
Consumers’ likelihood to purchase a CM product due to the warm glow effect is attenuated when the price of a CM product is high or is significantly higher than the prices of comparative products. Price fairness and the warm glow motive serially mediate these impacts. Offering donation-based incentives increases consumers’ likelihood to share their CM product experiences on social media. However, a larger donation-based incentive does not greatly influence this consumers’ sharing behavior.

Key Contributions
This paper is the first to provide empirical findings regarding the serially mediating roles of price fairness and the warm glow motive and the situation in which service retailers offer consumers a donation-based incentive to share their CM product experience on social media. Service retailers can use the findings in this paper as guidelines when designing and implementing their CM for maximum effectiveness.

References are available on request.

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Limited Sales or Limited Attention: Do Limited Edition Packages Really Work?

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Keywords: limited edition package, packaging, FMCG, design typicality, scarcity strategy

Description: The study aims to investigate consumer responses to limited edition packages (LEP), which is a scarcity product strategy using the package exclusively to create a limited offer.

EXTENDED ABSTRACT

Research Question
Marketers often use scarcity appeals to influence consumer decision-making by creating a sense of urgency and increasing the subjective desirability and sense of exclusivity of products. For example, in 2015 Coca-Cola entered the holiday spirit with packaging labels that, when peeled, tied into a festive bow. The product was identical to the regular version except for the package, which was unique, exclusive and of a higher quality than the regular. We introduce and define limited edition packages (LEPs) as a scarcity product strategy using the package exclusively to create a limited offer.

Scarcity has already been investigated in the FMCG context, in which the package was the consequence of the limited strategy. However, none of the studies have focused on the package as an exclusive differentiator and literature provides no systematic guidelines to brand managers either on how LEP characteristics affect consumer behavior or how an LEP should be designed. Therefore, the article’s research questions are as follows: (1) will a limited edition, as opposed to the regular, package lead consumers to higher liking, attention and purchase intention; (2) will a typical limited edition, as opposed to an atypical, package will lead to higher liking, attention and purchase intention?

Method and Data
Two experiments were conducted. Study 1 was designed to measure how LEPs affect consumer liking, attention and purchase intention compared to the regular package. To test the hypotheses, we showed participants regular packages and LEPs. Sixty-one undergraduate students participated voluntarily in an experimental session.

The aim of Study 2 was to examine how LEP typicality effects consumer liking, attention and purchase intention. To test the hypotheses, we used two LEPs: one was atypical, while the other was typical. One hundred and two undergraduate students participated voluntarily in an experimental session.

Summary of Findings
Findings of Study 1 show that LEP is useful for raising attention, but purchase intention, on average, is lower than with regular products. Study 2 indicates that, in low involvement food product categories, sales increase can be only expected with a typical LEP.

Key Contributions
For product brand managers interested in creating excitement or giving the brand something new and previously unseen, scarcity appeal may have an important strategic role in the FMCG sector. With respect to practical implications, the results are promising, in so far as they provide practical guidelines for brand managers to create the “right” LEP. Conventional wisdom and prior research suggests that limited products improve both the brand’s profits and brand image. However, a LEP is of a slightly different kind in the FMCG context. If the product already enjoys a favorable image, then incongruity between the regular and the LEP must be minimized and it is wise to avoid an atypical LEP design that pushes the product outside the acceptability regions. However, if brand impact is the issue, an LEP design should deviate and stand out from the shelves, but then a sales increase cannot be expected.

References are available on request.
Toward a Generalized Adoption Modeling Framework

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Keywords: adoption, social influence, innovation, agent-based model, diffusion

Description: We propose a novel, physically motivated framework to model individual adoption decisions that integrates the Bass model and agent-based models.

EXTENDED ABSTRACT

Research Question
How can the existing, fragmented approaches to model adoption processes be integrated and generalized?

Summary of Findings
Drawing from a utilitarian perspective on adoption we combine elements of the Bass model and agent-based models (ABM) into one model that allows further extensions. Conceptually, we build on research that has suggested “potential imitators” as an addition to “pure” imitators as considered in the Bass model. Further, we utilize the distinction between cumulative and recent social influence and combine it with the idea of neighborhood effects. An important feature of the generalized adoption modeling framework is that it reduces to the Bass model as well as ABM under plausible conditions. Notable extensions are (1) a novel parameterized family of binary operators that hierarchically link the model elements (allowing linear and convex functions) and (2) a parameter r that accounts for the probability of popularity-based aversion. Sensitivity analyses provide a first look at the impact of each model parameter.

Key Contributions
This research contributes to extant literature in two important ways. First, we offer an integrative framework that simultaneously considers the ideas of the Bass model and ABM, including their extensions and refinements. Due to the unique strengths of each approach (e.g., simplicity of the Bass model and no need of decision rules vs. realism of ABM through consideration of network effects), the generalized framework is intended as a “best of both worlds” approach to capture the complexity of social influence. Second, we offer a newly developed R package adoption as a tool to efficiently simulate adoption processes. With this tool, researchers and practitioners can simulate the consequences of changes in social structures on adoption speed and magnitude.

In so doing, this work contributes to a broader understanding of social influence’s impact on adoption, which is both managerially relevant and academically interesting.

References are available on request.
May We Buy Your Love? Psychological Effects of Incentives on Writing Likelihood and Valence of Online Product Reviews

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Keywords: online reviews, incentives, Social Exchange Theory, psychological effects

Description: Based on Social Exchange Theory and two experimental studies, this paper examines the effects of offering incentives on writing likelihood and valence of online product reviews.

EXTENDED ABSTRACT

Research Question
Online reviews have evolved as a powerful driver of companies’ financial success (Trusov, Bucklin, and Pauwels 2009; Chevalier and Mayzlin 2006). Particularly, the number (Liu 2006) and valence (Kostyra, Reiner, Natter, and Klapper 2016) of online reviews emerge as drivers of company’s sales performance. Consequently, companies are interested in managing online reviews for their products and services effectively and typically strive to increase the quantity and improve the valence of online reviews. In practice, manufacturers and service providers already started adopting reward strategies to increase user-generated content online (Poch and Martin 2015), and have begun experimenting with incentive offers for online reviews. Typically, rewards for online review writing are paid after the review was posted online, and companies do not explicitly request that the review should be favorable.

The current study poses three research questions: First, do incentive offers increase the likelihood that customers write online reviews, thus increasing the number of online reviews? Second, does offering incentives increase review positivity, thus positively influencing the valence of online reviews? Third, how do customers’ product satisfaction levels affect their reactions to incentive offers for online reviews?

Method and Data
We conducted a pilot study (Study 1) using the counterfactual thinking approach with open-ended questions and relied on content analysis as an observational research technique (Kolbe and Burnett, 1991) to structure latent content.

To test our theoretically derived hypotheses, we conducted two experiments. Study 2 is based on participants’ real experiences. Using the PROCESS procedure (Hayes 2013), we tested direct and indirect effects of the offer of an incentive on online review writing likelihood and valence. We conducted a 2 × 2 between-subject design in a fictitious setting in our Study 3 and manipulated the existence of an incentive offer and customer satisfaction. With this study, we replicated our results from Study 1 and found support for satisfaction as a moderator of the relationship between the incentive offer and review writing likelihood and valence.

Summary of Findings
Based on one pilot and two experimental studies, this research shows, first, that offering incentives indeed increases likelihood of online review writing. Second, we find the effect on review valence to be mixed due to contradictory psychological effects: Incentive recipients intend to reciprocate by writing favorable reviews but also perceive need to resist marketers’ influence, negatively affecting review valence. Third, recipients less satisfied with the product are particularly prone to perceiving psychological cost and therefore decrease the positivity of their online reviews. Consequently, incentives should be applied carefully as they indeed increase the number but not the valence of online reviews. Especially, an incentive practice should not be used to compensate for low product satisfaction.
quality as in this case the negative effect of incentives on review valence is especially strong.

**Key Contributions**

We make three major contributions. First, we can confirm that incentives increase the number of online reviews. Considering the practical relevance of online reviews for companies, research on how to influence customers’ online review publication likelihood is important. Marketing strategies to actively manage online reviews have rarely been studied. We empirically demonstrate that offering incentives has the potential to more than double customers’ review publication likelihood.

Second, our findings do not support that incentives positively impact online review valence. We identify reciprocity and resistance to persuasion as two differential underlying psychological mechanisms. While benefits of reciprocal behavior towards the company enhance the valence of the published online reviews, psychological costs associated with resisting persuasion cancel out this positive effect. Therefore, companies should carefully consider using incentives to influence their customers’ online review writing behavior.

Finally, we find a negative moderating effect of product satisfaction on the relationship between incentive offers and resulting psychological costs. This implies that dissatisfied customers react more negatively toward an incentive offer compared to more satisfied customers. Therefore, companies need to carefully evaluate for which products or services they want to apply such an incentive approach.

*References are available on request.*
Management Response to Online Customer Reviews in Multichannel Retailing

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Keywords: channel structure, channel relationship, online customer review, management response, direct communication strategy

Description: This paper examines the interactive relationship between manufacturers’ direct communication strategies and the multichannel distribution structure in a competitive online marketplace.

EXTENDED ABSTRACT

Research Question
As consumers become savvier, direct communication with end consumers becomes a critical way for manufacturers to enhance end consumers experience. However, in a multichannel distribution system, a manufacturer’s decision on directly communicating with end consumers is complex, especially considering the impact of the direct communication strategy on the channel structure where multiple manufacturers and retailers compete intensively. Existing studies have examined the relationship between manufacturers’ advertising strategies and channel relationship (Zhang and Xie 2012; Chutani and Sethi 2018), but the research on the interaction between manufacturers’ direct communication strategies with end consumers and channel structure is limited.

Moreover, as one of the common tactics of directly communicating with end consumers, management response to online customer reviews attracts increasing academic interest. However, few studies investigate how it impacts and the manufacturer-retail channel structure. Our study aims to examine the interaction between the manufacturers’ management response strategies and the channel structure formed in the marketplace. Specifically, we focus on two research questions: (1) How do the features of the channel structure affect manufacturers’ strategic decisions on management response? (2) How do manufacturers’ management response strategies restructure the distribution channel?

Method and Data
We collected transaction and management response data from Amazon.com, where manufacturers instead of retailers decide whether and how to respond to customer reviews. We tracked 1439 products from 441 brands daily in Wipe and Refill category from January 26, 2018 to May 25, 2018. During the data period, 430 products received new reviews. Totally, 5505 reviews and 713 management responses were posted. We developed a theoretical model to describe the simultaneous interaction between manufacturers’ management response strategies and channel structure, and applied a simultaneous equation model to test the results empirically. Because there are both endogenous dichotomous variable and endogenous continuous variable in the model, we apply the two-stage probit least squares estimation method (Maddala 1983) to estimate the model.

Summary of Findings
Our results show that the number of retailers who carry the manufacturer’s products has a significantly positive impact on the manufacturer’s investment decision on management response to customer reviews. Meanwhile, the latter significantly influences the evolution of channel structure. If a manufacturer invests in responding to customer reviews, averagely two more retailers are willing to sell its product.
Furthermore, we found that the competition among manufacturers in the retailer channels, which we named “intra-competition” in this paper, plays an interesting role. It does not only directly impact the manufacturers’ management response decisions and the retailers’ product adoption decisions, but also has an indirect impact on the two through the interaction between them. The direct impact of intra-competition on a manufacturer’s management response strategy is positive. However, high intra-competition has a negative direct impact on the number of retailers who are willing to sell the manufacturer’s products. The overall impact of intra-competition on manufacturers’ management response strategy is negative.

**Key Contributions**

Our study validates the interactive impacts on firms’ direct communication strategies and channel structure. Specifically, it explores the complex impacts of the channel structure on manufacturers’ management response to online reviews in a multichannel distribution system. It is expected to contribute to the literature on channel relationship. Different from traditional studies, this paper uses a unique context to examine the interaction between channel structure and manufacturers’ marketing strategies of directly communicating with end consumers. The research also aims to contribute the literature on management response to customer review by investigating firms’ management response strategies from the perspective of channel relationship management.

Our study provides managerial implications as well. It offers manufacturers guidelines for investment in marketing strategies direct to end consumers under different channel structure and different levels of competitions.

*References are available on request.*
No One Trusts Emotional Women? Measuring the Impact of Discrete Emotions on Review Helpfulness

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Keywords: word-of-mouth (WOM), gender stereotypes, emotion, review helpfulness

Description: Across two studies (one lab experiment and one field study based on online reviews from Amazon.com), the authors examine the helpfulness of emotional word-of-mouth (WOM) and test the moderating effects of reviewer gender stereotypes and contextual emotion (average negative emotion of other reviews).

EXTENDED ABSTRACT

Research Question
This research was motivated by two questions. How do gender-specific emotion stereotypes moderate perceptions of reviewer credibility and review helpfulness? How does contextual emotion (the average negative emotion of all other product reviews) influence these effects?

Method and Data
Study 1 explored positive and negative reviews that contained (or not) emotional expressions (happiness or anger), written by female/male reviewers. MTurkers (N = 319) were randomly assigned to one of eight conditions of a 2 (review valence: positive vs. negative) × 2 (emotions: present vs. absent) × 2 (reviewer gender: male vs. female) between-subjects design. The dependent variables were perceived reviewer credibility and review helpfulness measured on 9-point scales (1 = not at all and 9 = very much). Study 2 further investigated negative emotions (anger and anxiety) empirically using real online reviews from Amazon.com. It not only replicated our findings from Study 1, but also revealed a 3-way interaction mechanism among gender stereotypes, emotion and contextual emotion. We used a dataset of 330 tablet computers and 5,153 reviews for which reviewers’ real names could clearly indicate their gender. The main dependent variable was the percentage of the number of helpful votes out of the total votes from the readers for a given review. Four independent variables were included: embedded anger emotion, embedded anxiety emotion, reviewer gender, and average negative emotion of all the product reviews. We quantified emotions with the Linguistic Inquiry and Word Count package (Pennebaker 2001).

Summary of Findings
With respect to positive emotions, the absence of happiness/joy cues in positive reviews decreased helpfulness perceptions for female-authored reviews, but did not influence the male-authored reviews.

With respect to negative emotions, both anger and anxiety sharing were, in general, detrimental to women. In contrast, men benefited from sharing anxiety. In fact, when the general emotional tone of the other reviews was highly negative, men benefited most from sharing anxiety, and women were hurt the most when sharing anger.

Key Contributions
Findings demonstrate that reviewer gender stereotypes and contextual emotion influence how readers evaluate emotional WOM. Many websites (Amazon, Yelp, etc.) encourage reviewers to provide arguments to substantiate their opinions. This may influence at least some reviewers to communicate facts rather than emotions. Other researchers suggest different website design characteristics (e.g., reviewer identification, review length instructions) that eWOM platforms could use to stimulate reviewers to write concrete (vs. abstract) reviews (Aerts et al. 2017).

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Our findings also suggest that platforms and vendors provide some instructions for customers so that they are aware and refrain from using gender stereotypes in making inferences from emotional reviews. The emotional woman stereotype may bias readers’ perceptions of helpfulness in the presence of anger/anxiety cues. Instead, consumers are advised to look for facts that help in explaining product performance.

References, tables, and figures are available on request.
Amazon Versus Nike: Are Online Reviews Always a Good Idea for Online Shops?

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**Katharina Kessing, University of Wuppertal**

**Keywords:** online review, online retailing, experimental research, perceived manipulation

**Description:** By conducting a laboratory experiment this paper investigates how online reviews published in different types of online shops (manufacturer versus retailer) influence (a) customers’ purchase intention and (b) their attitude toward the online shop defined as online review effectiveness.

**EXTENDED ABSTRACT**

**Research Question**
Online shops acknowledge the importance of online reviews for consumer decision making and frequently present these on their webpages. E.g., 40 of the 50 largest online shops offer reviews to their prospects and customers. However, until now it is not clear whether all online shops equally profit from presenting online reviews on their webpages.

We believe that the type of online shop influences online reviews’ effectiveness for sales performance and differentiate between two types of online shops: (1) Retailers who sell products from various brands and (2) manufacturers who sell solely their own brands. Based on Attribution Theory, we argue that in the eyes of the customers these two types of online shops differ with regard to their commercial interest in selling specific products. While retailers typically are not interested in endorsing a product with many good reviews, customers infer that manufacturers are less willing to provide negative information in their online shops. Thus, customers will evaluate online reviews in manufacturers’ online shops as more manipulative leading to lower online review effectiveness compared to reviews in retailers’ online shops. We argue that this effect should be especially strong for positive review valences since it strengthens customers’ perception of review manipulation.

**Method and Data**
We conducted an experimental study and used a 2 × 2 between-subjects design, in which online shop type (manufacturers’ versus retailers’ online shop) and review valence (positive versus neutral) were manipulated on two levels. Each participant received a scenario description and a questionnaire. They were asked to imagine that they were looking for a new sweater online. Depending on the experimental group they either found one in a manufacturer’s online shop or a retailer’s online shop. Before completing the order and actually buying the sweater, participants were invited to look at the online reviews for the specific sweater. The online reviews were presented in a summary statistic, providing information about the average star-rating. For analyzing the direct and indirect effects of the type of online shop on customers’ purchase intention and their attitude toward the online shop defined as online review effectiveness we used the PROCESS procedure (Hayes, 2013).

**Summary of Findings**
By conducting a laboratory experiment, we find online reviews to be less effective in influencing customers’ purchase intentions and their attitudes toward the online shop when online reviews are published in a manufacturer’s compared to a retailer’s online shop. This effect is fully mediated by customers’ perceived online review manipulation. Purchase intention and attitude toward the online shop do not differ between the two types of online shops if online review valence becomes less positive. Consequently, manufacturers’ online shops should be careful when applying online reviews as a marketing tool since they do not always have the desired impact.

**Key Contributions**
Our paper has three major contributions. First, we find theoretical and empirical support for the importance of differen-
tiating between retailers’ and manufacturers’ online shops when analyzing review effectiveness. Online reviews published in manufacturers’ online shops are less effective compared to retailers’ online shops in influencing (a) customers’ purchase intention and (b) their attitude toward the online shop. Therefore, manufacturers presenting online reviews in their online shops should be only carefully applying past research as this has been predominantly conducted in the context of a retailer or an independent website (Babic-Rosario et al., 2016).

Second, we find customers’ perceived online review manipulation to fully mediate the relationship between online shop type and review effectiveness. Hence, the different effectiveness of online reviews published in manufacturers’ compared to retailers’ online shops stems from customers’ assumed underlying motives of the online shop to publish online reviews. Due to manufacturers’ high selling intention of their own products, reviews are perceived to be biased toward false reporting and thus, judged as being manipulated.

Third, we demonstrate how online review valence affects the relationship between shop type and review effectiveness. Only if online review valence is positive, review effectiveness will differ among retailers’ and manufacturers’ online shops.

References are available on request.
Ratings, Reviews, and Recessions: How Business Cycles Shape Online Opinion

Thomas Scholdra, University of Bremen

Keywords: business cycles, recession, online product reviews, online product ratings, consumer behavior

Description: This study investigates the impact of business cycles on consumers’ online product rating and review behavior.

EXTENDED ABSTRACT

Research Question
Speaking of the recession in the early 2000s or particularly the Great Recession (2007 to 2009), the US economy has gone through some turbulent times in the past two decades, forcing consumers to cope with adverse economic conditions. Current research does not only demonstrate existing sensitivity of demand to the business cycle in particular industries or categories (e.g., Deleersnyder et al. 2004) but also reveals existing asymmetries in consumer reactions over economic expansions and contractions (e.g., Lamey et al. 2007). Despite this apparently far-reaching impact, insights beyond consumer purchase behavior remain sparse. Therefore, this study contributes by focusing on online product reviews, which constitute an important postpurchase instrument to communicate opinion about experienced product performance. Particularly, the goal of this study is three-fold: (i) Investigating whether and how business cycles affect online opinion represented in numerical product ratings and textual reviews, (ii) examining whether and to what extent asymmetries between economic expansions and contractions exist, and (iii) challenging theoretical explanations for these effects under varying conditions.

Method and Data
This study relies on a comprehensive data set of online product reviews from the online retailer Amazon.com (He and McAuley 2016) and GDP data from the US published by the Federal Statistical Office. Particularly, this study focuses on the book category for two reasons. First, previous studies predominantly rely on the book category as well (e.g., Godes and Silva 2012), allowing to verify the consistency of findings. Second, it is the oldest and largest category at Amazon.com, making it particularly suitable to capture the potential effects of multiple business cycles. Online opinion is measured with two variables: (1) The review rating represented by the number of stars assigned within a particular product review and (2) the sentiment score extracted from the textual component of a particular product review. An ordered-logit specification is used to account for the discrete and ordered rating outcome and a linear specification to account for the continuous nature of the sentiment score. The proposed conceptual model considers four groups of factors influencing online opinion: (1) characteristics of the economic environment, (2) reviewer characteristics, (3) characteristics of the review environment, and (4) dynamic trends.

Summary of Findings
This study demonstrates that economic expansions and contractions have apparent and distinct effects on consumers’ online opinion. While numerical ratings are negatively affected by economic expansions, the sentiment in textual reviews is both negatively affected by economic expansions and positively by contractions with comparable magnitudes. These findings are in line with expectation-performance-satisfaction models (Anderson 1973), which suggest consumers to be less satisfied when the disparity between pre-purchase expectations and post-purchase performance increases. This explanation is challenged with proxies for consumers’ pre-purchase expectations towards a product. The findings indicate the negative effect of economic expansions to be particularly severe for popular product i.e., those with a high number of evaluations. In contradiction, particularly new products seem to be better off during upswings with regard to review ratings and review sentiment and worse off during downswings with regard to review ratings. The posthoc reasoning for this effect is that consumers in the early stages of a product life cycle may exhibit other characteristics than late adopters. Thus, they may be enthusiastic fans with rather stable expectations which are not affected...
by macroeconomic conditions and thus show no increase in expectation-performance disparity.

**Key Contribution**

This study extends findings from literature on business cycles in marketing and online product reviews and contributes to them in different ways. First, the business cycle literature has particularly focused on sales or sales-related performance outcomes (e.g., Lamey et al. 2007). Responding to the recent call of Dekimpe and Deleersnyder (2017), this study broadens existing research questions and elaborates on consumers’ online product opinion which has been neglected so far. Furthermore, prior findings on the asymmetric nature of economic fluctuations (e.g., Deleersnyder et al. 2004) are extended by accounting for the occurrence of different business cycle phases and the associated magnitude of the up- and downswings. Second, this study contributes to research on the antecedents of online product ratings by accounting for characteristics of the economic environment. Responding to the call of Godes and Silva (2012), this study establishes macroeconomic effects and global time trends to be two distinct processes. This novel finding strengthens existing knowledge about dynamic trends in online product ratings. Finally, this study contributes by considering the textual information in online product reviews and shows that economic fluctuations have similar effects on how consumers rate and review products online.

*References are available on request.*
Responding to Negative Online Reviews: Elaboration Likelihood Model and Justice Theory

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Keywords: negative online consumer reviews, review type, consumer behavior, attitude change, response strategy

Description: The study examines the impact of negative online reviews on consumers’ behavior and attitudes. In doing so, the study focuses closer on the role of review message type and firm response strategies for the relationships.

EXTENDED ABSTRACT

Research Question

The impact of negative online reviews on consumers’ behavior and attitudes was investigated using the Elaboration Likelihood Model and Justice Theory. From this perspective, this study examined how consumers process negative online reviews within the context of message characteristics, such as review message type (attribute-centric and benefit-centric) and response strategy (no response, apology, and financial compensation) on individuals’ purchase intention, attitude toward product, and attitude toward company.

H1: A negative attribute-centric review will have a significantly greater negative effect on (a) purchase intention, (b) attitude toward the product, (c) customer attitude toward the company compared to a negative benefit-centric review.

H2: The presence of an apology or financial compensation in a company response will have a positive impact on (a) purchase intention, (b) attitude toward the product, (c) customer attitude toward the company compared to no response strategy.

Method and Data

Data consists of 150 U.S. adults ranging in age from 21 to 71 (M = 41.7, SD = 13.3). Of those who participated, 57.7% were female and 43.3% were male, and their educational backgrounds varied from less than high school diploma to doctorate degree. Qualtrics software, an online survey tool, was posted on the “Human Intelligence Task (HIT)” website on Amazon’s Mechanical Turk (AMT) platform. The current study utilized a 2 (Attribute-centric negative consumer reviews vs. Benefit-centric consumer reviews) × 3 (no response, apology, compensation) factorial design. Participants were randomly assigned within the design. Following Park, Lee and Han (2007) design, participants assigned to the high involvement condition were exposed to a scenario where the company they work for is in need of a new laptop. Also, a negative attribute centric review and a benefit centric review were adopted from Wang et al. 2015 study.

Summary of Findings

Findings indicate that both apology and financial compensation response strategies have positive effects on consumers’ attitudes and behavior compared to a no response strategy. The analysis of variance indicates a significant difference for review type by consumer purchase intention and consumer attitude toward the product. Considering consumer purchase intention, the Benefit-Centric review was greater compared to the Attribute-Centric review. Similarly, looking at consumer attitude toward the product, the Benefit-Centric review was greater compared to the Attribute-Centric. The presence of an apology or financial compensation had positive effect on consumer purchase intention. Here, financial compensation has the largest influence, followed by apology, and no response. Each of these mean comparisons is statistically significant. Data indicate the existence of an apology or...
financial compensation had positive impact on consumer attitude toward the product. Here, financial compensation has the largest influence, next, is apology, and lowest is no response. Comparison analyses indicated that all means were statistically significant as hypothesized. Finally, the presence of an apology or financial compensation positively changed consumers’ attitude toward the. Here, financial compensation has the largest influence, followed by apology, and no response. Comparison analyses indicated that all means were statistically significant as hypothesized.

Key Contributions
When individuals are highly motivated to purchase a high involvement product, the review types and response strategy play a crucial role in consumers’ behavior and attitude toward the product and company. When customers read negative reviews either providing subjective or objective information their behavior, attitude toward product are negatively affected. Therefore, businesses must respond to any negative reviews regardless of the review type. Organizations would be able to change consumers behavior and attitude from negative to positive toward their products and organizations by considering either apology or compensation strategy. In summary, it is advantageous for companies to respond to negative reviews when highly motivated individuals are seeking to purchase a high involvement product. Not responding to negative online reviews can damage a businesses’ reputation and impact consumer behavior. That is, businesses can maintain their reputation and improve individuals purchase intention, purchase probability, and attitude toward the product and company by using apology and compensation strategy.

References are available on request.
Field Experiments and Causal Inferences in Marketing

Field Experiments

The Impact of a Complement-Based Assortment Organization on Purchases
Panagiotis Sarantopoulos, Aristeidis Theotokis, Katerina Pramatari, Anne Roggeveen

When “Humanlike” Becomes “Humans Don’t Like It”: The Impact of Regulatory Focus and Health Locus of
Control on Evaluations of Anthropomorphized Healthcare Products
Chun-Tuan Chang, Hsiao-Ching Lee, Yu-Kang Lee, Tsung-Pin Wang, You Lin

Disentangling the Impact of Expert Product Ratings to Inform Market Strategies
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Expert vs. E-Aggregator: Can Critics Continue to be Critical? Evidence from the Movie Industry
Ashish Kumar, Srerlata Jonnalagedda, Mauli Soni, Petri Cozma
The Impact of a Complement-Based Assortment Organization on Purchases

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Keywords: assortment organization, purchase behavior, complementarity, retailing

Description: To better understand the impact of complementarity, we examine the behavioral effects of a complement-based assortment organization, with the prediction that it results in increased purchases and expenditures, relative to the more commonly used substitute-based assortment organization.

EXTENDED ABSTRACT

Organizing retail assortments to meet consumers’ shopping needs, on the path to purchase, is of utmost importance for both online and brick-and-mortar retailers (Information Resources Inc. 2015). Retailers typically organize product categories in their assortments using a substitute-based (Diehl, van Herpen, and Lamberton 2015) or taxonomic (Chernev 2003) approach, such that they group those that share the same attributes and physical characteristics. For example, most grocery retailers organize product categories by groups such as “meat,” “dairy,” “frozen,” and “beverages,” and clothing retailers often use groups such as “jackets,” “shirts,” and “accessories” to organize their assortments. An alternative way to organize assortments is a complement-based approach, such that the product categories are grouped according to a particular consumption goal or context of use (Diehl, van Herpen, and Lamberton 2015). Such an organization also has been referred to as goal-derived (Chernev 2003; Ratneshwar et al. 2001), consumption constellation–based (Englis and Solomon 1996), or shopping mission–based (Sarantopoulos et al. 2016). Examples of retailers using complement-based assortment organizations include IKEA (“bedroom,” “living room,” “kitchen”), Mango (“office wear,” “wedding and parties,” “sportswear”), and Marks and Spencer (“breakfast,” “lunchtime meal,” “barbecue”).

Yet existing managerial practices regarding assortment organizations mainly are based on the idea that grouping categories according to physical characteristics, or substitutes, makes it easier for consumers to search for and find the products they want. Recent managerial literature questions this approach, with the claim that placing products with their complements exposes consumers to more relevant categories, which might lead to more impulse and unplanned purchases (Nielsen 2016). Diehl, van Herpen, and Lamberton’s (2015) initial research into complement-based assortments suggests that these organizations are perceived as more effortful but also more attractive than substitute-based ones. Their study focuses on store perceptions and preferences; no research has explored the impact of assortment organization on purchase behavior.

To better understand the impact of complementarity (Milgrom and Roberts 1995), we examine the behavioral effects of a complement-based assortment organization, with the prediction that it results in increased purchases and expenditures, relative to the more commonly used substitute-based assortment organization. In a complement-based assortment organization, consumers are exposed to more products alongside their complements, which should sensitize the shoppers to those other options (Huh, Vosgerau, and Morewedge 2016), as well as convey meaningful cues about when and in which contexts these other products can or should be used (Englis and Solomon 1996). Such cues then can facilitate consumers’ visualization of the actual consumption process (Nisbett and Ross...
and increase the likelihood that they make unplanned purchases.

We also examine two moderating factors of the impact of product assortment organization: involvement and goal specificity. Involvement with the shopping process increases elaboration (Celsi and Olson 1988; Petty, Cacioppo, and Schumann 1983) and mental imaging (Sengupta, Goodstein, and Boninger 1997; Shiv and Huber 2000), so we predict that highly involved shoppers visualize the consumption process, regardless of the assortment organization. Thus, the effect of a complement-based assortment organization may be less impactful in high involvement conditions. In terms of goal specificity (Lee and Ariely 2006), we suggest that a specific shopping goal (i.e., to buy specific items from a shopping list) decreases processing of peripheral information (Fujita, Gollwitzer, and Oettingen 2007) and therefore attenuates the impact of the assortment organization on purchases.

To test this theorizing, we conduct four studies: two field experiments, a virtual reality experiment, and a lab experiment. Study 1 is a field experiment, conducted in collaboration with a large grocery retailer, which compares longitudinal sales trends across two stores that were similar, prior to one of them shifting from a substitute-based to a complement-based assortment organization. The complement-based assortment organization leads to increased purchases and expenditures. In Study 2, we use a lab experiments to shed light on the proposed mechanism demonstrating that that ease of visualization mediates the impact of complement-based assortment organizations on consideration set size. Study 3 investigates the moderating impact of involvement, with a field study. Finally, Study 4 explores the moderating impact of goal specificity using a virtual reality experiment.

We conclude with a discussion of the theoretical and managerial implications of these findings, as well as directions for further research.

Our study accordingly contributes to existing literature in several ways. We examine assortment organization at a multiple product category level. Furthermore, our work builds on research by Diehl, van Herpen, and Lamberton (2015) by focusing on the behavioral implications of the assortment organization, as reflected in consumers’ purchases and expenditures. We extend literature pertaining to cross-stimuli sensitization (Huh, Vosgerau, and Morewedge 2016) and unplanned consideration (Hui et al. 2013) by showing how consistency in store design elements, such as assortment organization, with cross-stimuli sensitization can lead to unplanned conversions. We also explore boundary conditions of the impact of complement-based assortment organizations on purchases by considering the roles of involvement and shopping goal specificity. Finally, our work offers empirical findings obtained in field settings, which provide the most relevant environment for studying behavior from an outcome perspective. In taking this approach, we answer recent calls for more behavioral field experiments in marketing research (Gneezy 2017; Sudhir 2016).

References are available on request.
When “Humanlike” Becomes “Humans Don’t Like It”: The Impact of Regulatory Focus and Health Locus of Control on Evaluations of Anthropomorphized Healthcare Products

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Keywords: healthcare product evaluation, anthropomorphism, regulatory focus, health-locus-of-control, perceived efficacy

Description: This research proposes that anthropomorphism is a double-edged sword in healthcare product evaluation, and regulatory focus and health-locus-of-control are considered as the moderators.

EXTENDED ABSTRACT

Research Question
This research addresses the following questions. Compared with nonanthropomorphism product, will anthropomorphism of health product reduce consumers’ product evaluation? If so, will the disadvantages of anthropomorphized health product be contingent upon consumers’ regulatory focus and health locus of control? Is it possible that the anthropomorphized health product may increase consumers’ product evaluation (i.e., attitudes toward the product and purchase intention) and willingness-to-pay? What is the underlying mechanism behind the above effects?

Method and Data
Three experiments were conducted. Study 1 was a field experiment in a 2 (product image: anthropomorphism vs. nonanthropomorphism) between-subjects design. This study was conducted with the other unrelated experiment in a shopping mall. After completing the unrelated experiment, participants received N.T. $500 (U.S. $1 = N.T. $30) as compensation. We then introduced them new probiotics in an experimental ad and provided them an opportunity to buy a box of 60 capsules. Actual money spent on the product served as the dependent measure. Study 2 investigated the moderating effect of regulatory focus on product evaluation (i.e., attitude toward the product and purchase intention) and ruled out the effects of emotional expression associated with anthropomorphism. A 3 (product package: nonanthropomorphism vs. anthropomorphism with neutral emotional expression vs. anthropomorphism with smile expression) × 2 (regulatory focus: prevention vs. promotion) between-subjects design was conducted and throat coat herbal pastilles were the test product. Finally, Study 3 further considered HLOC as the boundary condition in addition to regulatory focus on willingness-to-pay for anthropomorphized health product, and examined perceived efficacy as the underlying mechanism. A 2 (ad message: anthropomorphism vs. nonanthropomorphism) × 2 (regulatory focus: prevention vs. promotion) × 2 (HLOC: internal vs. external) between-subjects design with mouthwash as the test product was conducted.

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Summary of Findings
First, anthropomorphism works for internals who face a promotion-focused message. People with higher need for control tend to prefer anthropomorphism. Second, anthropomorphism backfires for externals who face a prevention-focused message. Third, the effects of anthropomorphism do not matter either for internals who face a prevention-focused message or externals who face a promotion-focused message. Fourth, the perceived efficacy associated with product use can be used to explain why consumers feel negative perceptions toward anthropomorphism in healthcare products.

Key Contributions
Drawing from the persuasion knowledge model, the current research is the first to illustrate that anthropomorphism may lower consumers’ actual money spent on a healthcare product when everything else is equal. The current research further adds to the literature on anthropomorphism by identifying regulatory focus and individual differences in HLOC as boundary conditions for the effects of anthropomorphism on people’s responses to a healthcare product. The findings provide managerial implications regarding how to use appropriate anthropomorphism to effectively communicate with the consumers. The results provide guidance for brand/product managers when to use anthropomorphism in their positioning strategies by taking regulatory focus and HLOC into consideration.

References are available on request.
Disentangling the Impact of Expert Product Ratings to Inform Market Strategies

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Ashish Kumar, Aalto University

Keywords: expert ratings, experience goods, field experiment, difference-in-difference model

Description: A robust analysis to discern the value of 1 expert rating point while accounting for rater quality and heterogeneity in ratings across raters.

EXTENDED ABSTRACT

Research Question
Products and services are extensively reviewed by consumers and product specific experts in the marketplace. Expert reviews and ratings have been found to be more effective than user reviews in increasing purchase consideration for rated products, particularly in the case of experience goods where consumers determine quality of product after consumption. However, investigations into the impact of expert ratings on product demand have produced varying and inconsistent results. Prior investigations have primarily concentrated on understanding the impact of a rated product or average of rating scores on product demand. In the retail environment, a product can receive multiple expert ratings at different points in time with each rating having a different impact on rated product demand based on when they appeared. Moreover, there exists heterogeneity in the quality of ratings provided by experts leading to quality-tiers within experts. Hence, each expert who is rating, the corresponding rating score and contrasting quality grades emanating from multiple rating scores can have differential impact on the demand of the rated product—issues which have not been investigated in research preceding this study. We, through this research, seek to identify the impact of a single rating score on the demand of the corresponding rated product. We also seek to discern the impact of rating score based on when they were given and the quality tier of the expert reviewer. Also, it encapsulates the impact on demand from different signals emanating from quality grade changes between two consecutive ratings.

Method and Data
Our investigation is made possible by employing a rich data set of weekly sales data of rated and unrated wines—tracked at the SKU level—from a prominent Western New York wine retailer. The wines are rated on a scale of 0–100 by a host of independent expert reviewers of varying quality tiers using the Robert Parker rating system. The ratings are dispersed by the retailer to the consumers by showcasing them on the shelves adjacent to the product as and when they are made available by the expert reviewers. Since in this industry the wines are sold by retailers before they are rated by the experts in the field, for each rated wine we have SKU-level weekly sales data before and after the ratings start appearing for the wine. The disbursement of ratings across multiple weeks allows us to disentangle the incremental impact of each rating on the demand for the rated product based on the position of the rating and the quality of the reviewer as well.

The SKU classification of a wine is based on the uniqueness of product identification characteristics (country of origin, appellation, grape type) and vintage year. Using propensity score matching (PSM) techniques we identify corresponding unrated wines for a rated product. We also make sure that the unrated wines are sold concurrently with the corresponding

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We end up with 128 groups of treated and untreated wines. To effectively discern the impact of expert information impacting demand while controlling for product quality, like prior studies, we have also employed difference-in-difference (DID) approach with treated and matched control entities.

**Summary of Findings**

In order accurately discern the impact of ratings and the impact of tier and crossover effects we calculate the associated elasticities from the estimated parameters. An average rating of 84 can increase the volume sold for the rated wine from anywhere from 10.13% (if the wine got a single rating of 84) to 35.76% (if the wine was rated 84 by all 5 ratings expert). Ratings have variable impact based on the position of the rating. An average rating of 84 increases the volume sold by 10.132% when it appears as the first rating. The impact diminishes as we move from the first rating to the fifth rating (2.22%) the wine received. The impact of a high tier expert can range anywhere between 2.203% and 6.263% based on when the high tier rating appears. It is interesting to note that a high tier second rating for the wine has the maximum impact of increasing volume sold by 6.263%. Since there are three high tier evaluators in our sample the highest impact that their rating of 84 respectively for a wine can have is 35.76% (when they are displayed sequentially as the first, second and third rating) and the least impact that they can have is 27.61% (when they are displayed sequentially as the last three ratings). A high tier fifth rating for a rated wine has no significant impact in increasing the volume sold. Hence, a single high tier rated wine with the rating being presented as the fifth rating will have the same impact in increasing sales as a rated wine with no high tier rating (21.35%).

**Key Contributions**

Our study is the first of its kind to discern the impact of expert ratings and quantify accurately impact of a single rating point based on the quality tier of the expert and also based on when it appeared. We assert that dissemination of expert ratings can be strategized by retailers to influence demand for the rated product. Such an approach can be used to study the adverse impact of fake reviews and ratings on products as well. We make a case that even with limited expert reviews substantive increases in demand for a product can be achieved. Ratings emanating for the top tier experts provide an additional bump to sales of the rated product. Our findings indicate that retailers can maximize demand for the rated product by disseminating ratings by top tier raters first followed by ratings from others. Retailers should be prepared for ratings dip if there are low level cross-overs from previous rating to the current. A better assessment of optimal expert review dissemination strategy can be arrived at by conducting simulation scenarios.

*References are available on request.*
Expert vs. E-Aggregator: Can Critics Continue to be Critical? Evidence from the Movie Industry

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Keywords: movie reviews, critics, e-aggregators, box office performance, movie industry, natural experiment, observational study, treatment effect, propensity matching

EXTENDED ABSTRACT

Research Question
We examine the role of expert ratings on movies’ box office performance. Specifically, we study whether e-aggregators have overshadowed the impact of individual critics on movie’s box office performance.

Method and Data
We use propensity score matching (PSM) technique in conjunction with the treatment effect (TE) model for causal inference. We use data from multiple sources such as Rotten Tomatoes, The Numbers, IMDb, Metacritic, National Society of Film Critics, and Roger Ebert’s official website. A well-known movie critic Roger Ebert sadly passed away in December 2014; this event is used as a context for our natural experiment to quantify the average treatment effect of expert ratings on movies’ box office performance.

Summary of Findings
Overall, the average treatment effect is 0.22, which translates into $1.24 million gain in value regarding box office performance when a movie is rated by an expert, in our case Roger Ebert. This result confirms the positive effect of a critic/expert’s rating on movies’ box office performance.

Key Contributions
The interest in whether critical opinion matters to consumers, perhaps dates back to the production of the goods/services itself. However, in the age of the Internet, e-aggregators have mushroomed profusely providing aggregate opinion/ratings from different sources. Thus, questions that marketers, as well as experts, are equally interested in is whether individual expert/critic ratings matter in the presence of e-aggregators? In this study, using data from a natural experiment in the movie industry, we causally infer that expert ratings are still crucial in the movie’s box office performance.

References are available on request.
Complexity of Firm Relationships with Other Stakeholders and Social Movements

New Products and Processes: Impact on Stakeholders

Ride-Sharing and the Demand for Public Transportation: A Quasi-Experimental Study
Ivan Fedorenko
CFR-2

Drivers of the Budgetary Transition to Digital Advertising
Seoyoung Kim, Sundar Bharadwaj
CFR-4

The Impact of Product Recall Strategies on Customers and Investors
Sascha Raithel, Stefan J. Hock
CFR-5

Moral Capital or Moral Expectations? Disentangling the Role of Prior CSR Engagement in Driving Consumers’ Reactions to Corporate Scandals
Pascal Güntürkün, Till Haumann, Laura Marie Edinger-Schons
CFR-7

Perceived Fairness and Knowledge Sharing Linking Corporate Social Responsibility to Collaborative Innovativeness in Business to Business Relationship
Sungjun Hong, Seungwon Jeon
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New Product Announcement Portfolios and Firm Value: The Role of Product Attributes Diversification
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Branding and Social Connection

CEO Narcissism, Brand Acquisition and Disposal, and Shareholder Wealth
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The goal of this paper is to explore the relationship between the proliferation of ride-sharing services and the demand for public transportation in 106 largest American metropolitan areas. In a quest for economic viability, ride-sharing companies are increasingly implementing features characteristic not for private taxi service, but for public transportation (optimized pickup points, carpool service, etc.). Thus, the question arises of both theoretical and public policy significance about the relationship between such new entrants and the incumbents of the public transportation industry. There is a widely-shared belief that ubiquitous availability of ride-sharing encourages urban citizen to give up car ownership and thus may facilitate the use of public transport. Yet, this belief has never been tested.

While there are other prominent companies entering this business (Lyft, VIA, etc.), Uber is the one company believed to have had the greatest effect so far. For this reason, I focus on the impact of this largest firm, which is already proactively positioning itself as a complimentary service for public transportation. I set out to test the relationship by putting the Uber expansion into the quasi-experimental model alongside other factors determining the demand for public transportation, such as population density, unemployment rate, income per capita and median age.

Research Question
Uber trips were initially positioned as a substitute for the traditional taxi service and therefore most of the literature in the field is focused on the competition between Uber and taxis. Due to lower regulatory expenses (insurance, safety inspections, etc.) and fewer sunk costs, Uber was able to provide services at a lower price than a traditional taxi. There was a widely shared expectation that Uber-like services will quickly destroy traditional taxis.

Nevertheless, the traditional “yellow cabs” still enjoy an 80 percent market share and Uber is still quite far from eliminating the competition. Moreover, the company has been steadily producing EBITAR margins worse than negative 100%, and the absolute magnitude of losses has reached 2bln.$ per year. In a quest for profitability, Uber started to turn the private taxi service into the pooled transportation subtly. Uber Pool service that allows several customers to share a trip has been launched in 2014. The company has also deployed an “optimized pickup point” function which incentivizes customers to gather at hub points to improve route efficiency. These features denote the slow and steady transformation into a bus service. Thus, the question arises whether the ride-sharing business is starting to compete with the public transportation system.

Method and Data
The data on public transport usage has been obtained from the Federal Transit Administration’s National Transit Database (FTA NTD), demographic and car ownership data from US Census, and the Uber expansion timeline collected from the Uber area-specific press-releases (Newsroom.uber.com). The demand model is based on the assessment of the annual number of passenger trips for the most common mode of public transportation: metro bus, which is present in all urbanized areas.

Methodologically, I use the asynchronous expansion of Uber to different US metropolises to design a quasi-experimental study. The areas that have Uber Pool operating in the local
market for different time periods are considered as receiving different levels of ride-sharing treatment. The areas where ride-sharing service has not been available as for the end of the year 2016 are included as a nontreated control group. A characteristic of naturally occurring quasi-experiments is the nonrandomized assignment of subjects to the experimental and control groups. The history of unpredictable setbacks from local lawmakers and public introduces the element of randomization to the date of UberX entrance to local markets, and thus allows for the use of quasi-experimental design. Individual tests confirm that the error variance across quasi-experimental and control groups are equal. Hence, the design is generally interpretable.

**Summary of Findings**

The multivariate analysis that employs “UBER treatment” as an independent variable, five covariates, and the difference contrast testing confirms that there is a significant difference in the demand for bus transportation between the level 3 (raid-sharing services operating in the area for 3 and more years) and earlier levels. The partial ETA squares show that the penetration of raid-sharing can explain a good share of the variance in the demand for public transportation and car ownership (effect size > 0.2 with observed power > .9).

The analysis of individual between-subject effects reveal that the ride-sharing penetration has a significant effect on the demand for metro bus transportation (PES > 0.25 with the observed power ~ .9), but not on car ownership. Hayes’ PROCESS MACRO (Model 4) has been employed to conduct mediation analysis. It has also failed to identify the mediating effect. That is, the widely-shared belief that ride-sharing facilitates the decline in car ownership is not substantiated by data.

**Key Contributions**

To the best of my knowledge, this is the first academic study linking ride-sharing to the demand for public transportation, so the upfront exploration of the relationship between these two comprise the main contribution of this study.

The quasi-experimental study supports the main hypothesis that there is a relationship between the penetration of raid-sharing and the demand for public transportation, and this relationship grows up to achieve a significance level starting the year 3 since the raid-sharing entrance to the local market. The surprising finding is that the relationship between the penetration of the raid sharing and the demand for public transportation is not mediated by car ownership. That is, raid-sharing actually influences the demand directly, by covering the “last mile” and providing easier and convenient access to public transportation hubs and pick-up point. The model could inform public transportation stakeholders, as well as policymakers, deciding what types of regulations and restrictions might and should be imposed on raid-sharing providers. A total ban on raid-sharing is not likely to inflate the use of public transport but might have the opposite effect.

*References are available on request.*
Drivers of the Budgetary Transition to Digital Advertising

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Keywords: marketing resource allocation, advertising budget, digital advertising, organizational learning, organizational isomorphism

Description: We investigate the drivers of the budgetary transition from traditional to digital advertising media.

EXTENDED ABSTRACT

Research Question
In this research, we investigate the drivers of the budgetary transition from traditional to digital advertising media. We aim at answering “who influences the budget allocation decision,” “How they affect the budget allocation decision,” and “why firms migrate to digital advertising in such a similar way” drawing on stakeholder theory, organizational learning, and organizational isomorphism literature.

Method and Data
For analysis, we built a unique dataset from six different sources. We ended up with 22963 firm-quarter observations on advertising spend and four learning drivers of 1883 firms from 2012 to 2016. Fixed effects, random effects, and GEE models are used to test the hypotheses.

Summary of Findings
We identified four learning routes driving the budgetary transition to digital advertising—normative learning representing the role of social norms, marketplace learning that stands for the effect of consumers changing in the marketplace, mimetic learning reflecting the function of mimetic pressure among competitors and internal learning regarded as learning through trial-and-error.

We find that normative learning, marketplace learning, and mimetic learning have a positive effect on the budgetary transition to digital advertising outlets. In sum, we attribute the shift to digital advertising to the effect of the society, consumers in the marketplace and competitors.

Key Contributions
Although the notable trend of the budget transition to digital media has been widely observed, there has been little theoretical attempt to investigate motives of the shift. We complement existing discussion focused on the consequence of the transition to digital advertising by delineating antecedents of the phenomenon. This research is the first to suggest a comprehensive theoretical framework that captures multiple drivers of organizational budget allocation decisions.

Even though advertising budgeting involves a significant amount of financial resources, ironically, firms are generally unaware of how such a decision is made. This research in this regard helps a firm comprehend itself better as a learning entity using a model that is not firm-specific but generally applicable. We provide practitioners with a better understanding of how complex relationships with multiple stakeholders affect their strategic decisions.

References are available on request.
The Impact of Product Recall Strategies on Customers and Investors

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Keywords: product recall, justice, reputation, stock return

EXTENDED ABSTRACT

Research Question
What product recall strategy with regard to the interplay of recall timing and type of remedy should firms apply to satisfy customers’ expectations and to minimize financial losses?

Method and Data
To examine consumer response, study 1 is designed as a lab experiment (N = 153) which uses the four recall strategies as treatment conditions. To examine investor response, study 2 uses archival data about actual product recalls in the U.S. between 1996 and 2014 (N = 443) and employs event study methodology combined with propensity score matching to model the impact of the four recall strategies on abnormal stock returns.

Summary of Findings
Study 1 (experiment) shows that the impact of product recall strategies on reputation is mediated by customers’ perceptions of justice. Study 2 (event study) quantifies the impact of different product recall strategies on firm value. Across both studies, we demonstrate that the impact on customer and investor response depends on the combination of timing (reactive vs. proactive) and remedy (partial vs. full), so that conforming strategies (reactive/full or proactive/partial) outperform both overconforming strategies (proactive/full) and underconforming strategies (reactive/partial) with regard to reputation perceptions and stock return.

Key Contributions
The present research makes two major contributions to marketing theory and practice by quantifying the impact of conforming and nonconforming recall strategies on reputations perceptions (customer response) and firm value (investor response).

Product-harm crises are defined as “discrete, well publicized occurrences wherein products are found to be defective or dangerous” (Dawar and Pillutla 2000: 215). Such crises can destroy carefully nurtured firm reputation and value. Firms seeking to minimize the negative impact of such crises have to make two strategic decisions: (1) when to recall the product (Chen, Ganesan and Liu 2009; Eilert et al. 2017) and (2) what remedy to offer (Liu, Liu and Luo 2016). The sparse literature on timing and remedy has examined both factors in isolation, leading to contradictory results. For instance, previous research on the timing of recalls has reported both a positive (Chen et al. 2009) and negative (Eilert et al. 2017) relationship between time to recall and firm value. This is the first research that considers the interactive effects of timing and remedy, thereby offering a potential explanation for these mixed findings.

In their conceptual piece, Bundy and Pfarrer (2015) argue that individuals typically use two primary sources of information to evaluate a crisis at hand: (1) situational attributions—the perceived degree of a firm’s responsibility of the crisis, here: timing—reactive vs. proactive, and (2) level of accommodation—a firm’s actions used to influence evaluators’ crisis perceptions, here: remedy—partial vs. full. The combination of these two crucial factors determines evaluators’ initial judgment. We follow their classification, divide recall strategies into conforming (C1: reactive/full, C2: proactive/partial), underconforming (UC: reactive/partial), and overconforming (OC: proactive/full), and test their theoretical framework empirically to provide firms with insights regarding the following questions:

1. How do consumers evaluate conforming and nonconforming (i.e., underconforming and overconforming)
product recall strategies, i.e., what is their impact on firm reputation?

2. How do investors evaluate conforming and nonconforming (i.e., underconforming and overconforming) product recall strategies, i.e., what is their impact on firm value?

No prior work examines the interaction of timing and remedy on consumers or stock returns, which could be the reason for some of the contradictory findings. The largest stream of research examines the general impact of product recalls on subsequent advertising and pricing (Cleeren, Van Heerde, and Dekimpe 2013; Rubel, Naik, and Srinivasan 2011; Van Heerde, Helsen, Dekimpe 2013), consumers (Ahuwalia, Burnkrant, and Unnava 2000; Pullig, Netermeyer, and Biswas 2006; Lei, Dawar, and Lemmink 2008; Darke, Ashworth, and Main 2010; Lei, Dawar, and Gurhan-Canli 2012; Germann et al. 2014; Whelan and Dawar 2014; Borah and Tellis 2016), likelihood of future accidents and recalls (Haunschild and Rhee 2004; Kalaignanam, Kushwaha, and Eilert 2013), sales (Borah and Tellis 2016; Cleeren, Dekimpe, and Helsen 2008; Zhao, Zhao, and Helsen 2011), and stock returns (Borah, Tellis 2016; Gao et al. 2015; Germann et al. 2014; Thirumalai and Sinha 2011; Rhee and Haunschild 2006). A second stream of research examines the impact of firm response (e.g., denial, apology) on consumers (Cleeren, Dekimpe, and Helsen 2008; Dawar and Pillutla 2000; Klein and Dawar 2004; Weinberger, Allen, and Dillon 1981). A third one examines the difference between voluntary and involuntary recalls on consumers (Siomkos and Kurzbard, 1992) and stock returns (Liu, Shankar, and Yun 2017; Davidson and Worrell 1992). A fourth stream points out some drivers of recall timing (Hora, Bapuji, and Roth 2011) and remedy (Liu, Liu, and Luo 2016). However, none of these papers outlines how timing, remedy, or their interaction impacts reputation or stock returns.

Of particular interest to our research are the findings on the impact of timing and remedy on consumers and stock returns. Papers in these areas are rather sparse. With regards to timing, Korkofingas and Ang (2011) report a positive relationship between time to recall and consumer evaluations of brand equity. Interestingly, Chen et al. (2009) also report a positive relationship between time to recall and firm performance, but this finding contradicts Eilert et al. 2017, who report a negative relationship. With regards to remedy, Puza- kova, Kwak, and Rokereto (2013) demonstrate that compensation (vs. denial or apology) is the only effective response in the context of brand anthropomorphization (i.e., humanizing brands), but they do not consider different types of remedy, such as partial or full. Liu et al. (2017) show that remedial effort (percentage of defective cars fixed) negatively (positively) moderates the impact of recall volume on short-term (long-term) returns. However, none of these papers considers both timing and remedy or, more importantly, their interactive effects (conforming vs. nonconforming), which could explain some of these contradictory findings.

The present research fills this gap and considers the interactive effects of timing and remedy. We quantify the impact of conforming and nonconforming recall strategies on both firm reputation (consumer response) and firm value (investor response). We combine an experimental study with secondary data to increase the robustness of our findings. Further, this mixed-method approach enables us to examine consumers’ and investors’ reactions to the interplay of timing and remedy that cannot be addressed through one data source alone (Davis, Golicic, and Boerstler 2011; Hamilton 2016). Study 1 (experiment) examines the impact of different recall strategies on firm reputation, while study 2 (event study) examines the impact on firm value. We chose firm reputation as dependent variable in our experiment, because it has been shown to influence firm value (Gatzert, 2015; Raithel and Schwaiger 2015; Wei, Ouyang, and Chen 2017), which connects our studies. Thus, if the Efficient Market Hypothesis holds, than we should observe not only a significant effect of recall strategy on firm reputation, but also on firm value. Across both studies, we show that being proactive or offering full remedy is not always the best firm strategy per se. Rather, we demonstrate that the impact of product-harm crises on firm reputation and value heavily depends on the combination of timing and remedy, so that conforming strategies (reactive/full or proactive/partial) outperform underconforming (reactive/partial) and overconforming strategies (proactive/full).

References are available on request.
Moral Capital or Moral Expectations? Disentangling the Role of Prior CSR Engagement in Driving Consumers’ Reactions to Corporate Scandals

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Keywords: corporate social responsibility, corporate scandals, negative media coverage, moral capital, insurance mechanism

Description: The current research investigates how consumers respond to firms that have been engaged in CSR but are now experiencing a corporate scandal and shows (a) that CSR activities in the same domain as the corporate scandal aggravate its negative consequences, whereas CSR activities in another domain may mitigate its negative consequences and (b) that this relationship is mediated by differences in consumers’ perceptions of trust and corporate hypocrisy.

EXTENDED ABSTRACT

Research Question
Corporate social responsibility (CSR)—a firm’s voluntary corporate actions that improve social good beyond that which is required by law (McWilliams and Siegel 2001)—has become a strategic imperative for 21st century corporations. However, despite growing attention to CSR the number of reported incidents of corporate wrongdoing is increasing (Heinemann 2008) and, paradoxically, this is also true for firms that engage in CSR.

Against this background, the question arises how consumers might react to firms that have been engaged in CSR but are now experiencing a corporate scandal. Previous research offers two conflicting theoretical perspectives on this issue: One stream of literature suggests that investing in CSR initiatives builds up a stock of moral capital that can act as an insurance mechanism in case of a corporate scandal (e.g., Godfre 2005; Minor 2011); whereas, conversely, a second stream of research suggests that CSR investments lead to higher moral expectations amongst stakeholders and can therefore trigger even more negative reactions to a corporate scandal (e.g., Wagner et al. 2009). The present research makes a first attempt to reconcile these two conflicting theoretical perspectives by addressing the research question when and how existing CSR engagement attenuates or amplifies the adverse effects of a corporate scandal.

Method and Data
Two studies were conducted to address this research question. Study 1 tests hypotheses about the consequences of a corporate scandal in light of a firm’s prior CSR engagement in another domain or in the same domain as the corporate scandal within a field setting among customers of a large furniture retailer, which faced a real employee-related corporate scandal and which engaged in CSR activities in different domains prior to that scandal (i.e., environmental, philanthropic, employee-related, and local community-related CSR). Study 2 offers further insights into the underlying mechanisms by investigating how same-domain versus other-domain CSR affects important marketing outcomes via two core mediators, i.e., trust and hypocrisy, within a scenario-based experiment in the context of a fashion retailer.
Summary of Findings
Results of Study 1 show that customers’ awareness of the furniture retailer’s scandal negatively affect their loyalty intentions and their perceptions of the retailer’s reputation. These negative effects intensify when customers were aware of CSR activities by the retailer in the same domain as the corporate scandal. However, if customers were aware of CSR activities by the retailer in a different domain than the corporate scandal, the negative consequences of the scandal are mitigated.

Results of Study 2 validate the findings from Study 1 and offer additional insights into the mechanism of the detrimental effect of same-domain CSR (as compared to other-domain CSR) by showing that this detrimental effect is mediated by consumers’ reduced trust and increased hypocrisy perceptions. Results of Study 2 also show that consumers do not evaluate companies that engage in both same- and other-domain CSR as more trustworthy or less hypocritical than companies, which solely engage in same-domain CSR. Consequently, the negative consequences of a corporate scandal are not significantly less severe if companies engage in same- and other-domain CSR than if companies solely engage in same-domain CSR.

Key Contributions
The present study advances the academic discourse on whether CSR can actually work as an insurance mechanism against negative events, such as corporate scandals. Specifically, the study reconciles two prevalent theoretical perspectives on the role of existing CSR activities in the presence of a corporate scandal by introducing the domain in which CSR and scandal appear as a critical moderator to this relationship.

The study further echoes the calls of prior research by providing novel insights into the underlying mechanisms that govern the link between CSR engagement and relevant marketing outcomes (Aguinis and Glavas 2012). Specifically, the study establishes that trust and corporate hypocrisy act as critical mediators of the interactional effects between CSR activities and corporate scandals on consumer responses towards firms.

References are available on request.
Perceived Fairness and Knowledge Sharing Linking Corporate Social Responsibility to Collaborative Innovativeness in Business to Business Relationship

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Keywords: corporate social responsibility, collaborative innovativeness, perceived fairness, knowledge sharing, B2B

Description: The relationship building aspect of corporate social responsibility (CSR) in B2B relationships improves partner’s perceived fairness and knowledge sharing, leading to collaborative innovativeness from the channel.

EXTENDED ABSTRACT

Research Question
This article provides a new angle on the strategic role of corporate social responsibility (CSR) in B2B relationships, investigating how perceived CSR practices link to collaborative innovativeness. Significant void exists in previous research on the role of CSR reinforcing innovativeness in that it lacks causal explanations and is only focused environmental and legal issue and a few numbers of extant CSR-innovations research only provide mixed results. To answer how the CSR practices of companies generate innovation through the process of creating competitive advantage, we propose a process of collaborative innovativeness—innovativeness from the channel relationship—through perceived fairness from relationship marketing and knowledge sharing from knowledge base perspective.

Therefore, the purpose of this study is as follows: first, we identify whether three dimensions of CSR—business practice CSR, philanthropic CSR, and relational CSR—increase knowledge sharing among stakeholders resulting in collaborative innovativeness. Second, we clarify whether the perceived fairness, which is the nature of the relationship triggered by CSR practices, can induce collaborative innovativeness. Finally, we examine the relationship between fairness and knowledge sharing among partners.

Method and Data
A survey was conducted to collect the data. The unit of analysis for this study is a pair of companies in a B2B transaction. To gather necessary data, we administered a survey with company representatives who are knowledgeable of partner companies in their B2B network. Total of 300 survey questionnaire were distributed to managers and CEO’s from firms that differ in sizes, resulting in 258 responses. For most of the cases, we used face-to-face interviews to increase the response rate. The total of 231 responses were used in the analysis, removing 27 not completing the entire questionnaire. To ensure diversification of responses, the survey was conducted on firms from various industries. Firms from 14 different industries are included, and the sales volume is close to Normally distributed ranging from 10 million to 1.5 billion USD.

All measures in this study are adapted from existing scales and a review of the literature. To verify our model framework with the data, we employed structural equation modeling using AMOS 18 software. We assessed reliability and both convergent and discriminant validity for measured variables using confirmatory factor analysis. Global fit indexes indicate the model acceptably represents the data ($\chi^2$/d.f. = 1.773, IFI = .934, TLI = .927, CFI = .933, RMSEA = .058).

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Summary of Findings

Data analyses using structural equation modeling show the following results.

All dimensions of CSR (business practice CSR, philanthropic CSR, and relational CSR) have positive influences on knowledge sharing and perceived fairness. In turn, knowledge sharing and perceived fairness positively affect collaborative innovativeness. Control variables of firm size, inter-firm dependency, and environmental uncertainty show positive effect on collaborative innovativeness.

Finally, Hamman test and SEM analysis including common variable show that common method variance did not affect the main empirical results.

Key Contributions

Academic implications are as follows: first, it provides reasoning to the link between CSR and performance by empirically examining how CSR activities induce collaborative innovativeness in a strategic perspective. Second, we incorporate CSR and relationship marketing, which reflect the concept of relationship building. Third, we newly demonstrate the relationship between knowledge sharing and perceived fairness, and CSR. Fourth, we introduced the ‘relational CSR’ in addition to the existing dimensions of CSR in Homburg et al. (2013).

Practical implications are as follows: we suggest corporate CSR engagement can be strategically used not only in the end user, but also in B2B relationship. First, it can be expected that the perceived CSR practice will be practically used as a potential qualification instrument of a partner where B2B partner selection is critical. Small and medium-sized enterprises that lack resources in an asymmetric exchange relationship are able to utilize CSR practice as a strategic alternative against highly influential partners. Second, this study suggests that CSR engagements not only improve the inflow of external knowledge of the partner which drives innovation, but also improve fairness perception that can strengthen the relationship with partners. This provides added rationale for why companies should undertake cost-inducing CSR activities.

References are available on request.
New Product Announcement Portfolios and Firm Value: The Role of Product Attributes Diversification

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Keywords: new product announcement, marketing-finance interface, modern portfolio theory, innovation

Description: Does releasing products with complementary attributes (e.g., announcement that includes both incremental new products and really new products) result in greater firm value than announcing products with similar attributes?

EXTENDED ABSTRACT

Research Question
The goal of this study is to gain an understanding of how announcing new products with complementary attribute levels can affect firm value. We conceptualize a product announcement as a portfolio of information that contains new products and/or service information released by a firm. Product attributes are salient information in the portfolio because they are critical to both consumer satisfaction and product performance (Swan and Combs, 1976). Within a multiple product announcement portfolio, products could have either complementary (e.g., RNP and INP) or similar attributes (e.g., RNP and RNP; INP and INP). For example, a company could announce a RNP (i.e., high newness but high uncertainty) and INP (i.e., low newness but low uncertainty) in an announcement portfolio that combines complementary attributes. Does releasing products with complementary attributes (e.g., announcement that includes both really new products and incremental new products) result in greater firm value than announcing products with similar attributes?

Method and Data
We use event study method to test our hypotheses in information technology sector. In the information technology industry, innovation cycles are relatively short and companies continuously introduce either INP or RNP to meet fast-changing consumer needs. In 2006, this market was valued at over US$ 1,100 billion with a global shipment of over 2.9 billion units (Global Market Insights, 2018).

Summary of Findings
Following prior studies in managing RNPs and INPs (e.g., Alexander, Lynch, and Wang, 2008), we propose that perceived newness and uncertainty are a pair of complementary attributes that are salient to RNPs an INPs. Contrary to common wisdom that more innovative products are better, the findings show that stock market reactions are stronger when announcing products with complementary attribute levels (e.g., one RNP and one INP) than when announcing products with similar attribute levels (e.g., two RNPs or two INPs).

Investors' expectations about a firm's future cash flows influence the firms stock price (Warren and Sorescu, 2017a). Drawing on modern portfolio theory (Markowitz, 1952), we find that the stock market response to an announcement of new products with complementary attributes is greater than products with similar attributes because diversified product attributes increase investors' expected cash flow stability. An optimizing investor under uncertainty evaluates assets as a portfolio that maximizes return (i.e., mean) and minimize risk (i.e., variance). The complementary product attributes formulate a diversified portfolio that reduces risks associated with firms' future performance. Thus, the stock market reaction from a complementary product announcement is stronger than announcing products with similar attributes.

Key Contributions
First, it proposes a portfolio perspective in managing product announcements. Prior studies document the types of
product announcements, such as the announcement of different stages of innovation projects (Sood and Tellis, 2009), while little research examines whether the complementary roles of RNPs and INPs affect stock market reactions. Second, also provide evidence that announcing products with complementary attribute levels is more attractive for investors than announcing products with similar attribute levels. Third, this study highlights the importance of managing risks in announcing new products by introducing the concept of product attribute diversification.

*References are available on request.*
CEO Narcissism, Brand Acquisition and Disposal, and Shareholder Wealth

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Keywords: CEO, narcissism, brand acquisition and disposal, abnormal returns, media predominance

Description: We find that narcissistic CEOs are more likely to acquire brands and less likely to dispose of brands, and this effect is amplified by the degree of media predominance. CEOs’ business-related mentions on social media mitigates the negative relationship between CEO narcissism and abnormal returns associated with buying and selling of brands.

EXTENDED ABSTRACT

Research Question
Are brand acquisition and disposal actions influenced by CEO narcissism? What is the role of media predominance in influencing the impact of CEO narcissism on brand acquisitions and disposals? Are stock market returns associated with brand acquisitions and disposal actions influenced by CEO narcissism? Can CEOs’ business-related mentions on social media moderate relationships between narcissism and abnormal returns?

Method and Data
The empirical context to test our hypotheses is publicly traded U.S. firms’ CEOs and the brand acquisitions and disposals conducted by their companies from 2007 to 2015. We test our hypotheses using data from seven sources. (1) CEO narcissism data: we measured CEO narcissism based on the CEO’s photo size, the CEO’s compensation and the news about the CEO. The data was collected from the company’s annual reports in SEC EDGAR and the press release about the CEOs from Factiva database. (2) Brand acquisition and disposal deals information from firms’ annual reports, the SDC Platinum database, and news on firms’ websites. (3) Brand equity data: we collected the brand equity metric from Harris Interactive’s EquiTrend database. (4) Abnormal returns and other financial variables: we retrieved from CRSP information to calculate the abnormal returns associated with the announcements of brand acquisitions/disposals. (5) Traditional media data: we searched in Factiva the articles about each firm in each year in the four leading business publications. (6) Social media data: CEOs’ Twitter posts. We use seemingly unrelated regressions (SUR) to test the determinants of brand acquisition and brand disposal and use event study to calculate the abnormal returns associated to brand acquisitions and disposals.

Summary of Findings
(1) CEOs with higher levels of narcissism tend to buy more brands and are less likely to sell brands. This result is consistent when we use the count of deals and the relative ratio of the deal value as the outcome variable. (2) Furthermore, more news about the firm will strengthen the positive relationship between CEO narcissism and brand acquisitions, but more news will weaken the negative relationship between narcissism and brand disposals. (3) The stock market favors the CEOs with lower level of narcissism when the firm makes brand acquisition and disposal announcements. (4) CEO’s mentioning about their business on social media can significantly weaken the negative impact of CEO narcissism on stock market returns associated with brand acquisitions and brand disposals.

Key Contributions
This study aims to make three contributions to the existing literature. First, we examine the relationships between CEO narcissism and the value of brand acquisitions and disposals. Previous studies implicitly assumed CEOs as a group of homogeneous rational decision-makers. It was assumed, given the same level of marketing capabilities and channel relationships (Wiles et al., 2012), that these CEOs respond to the brand with the same likelihood of acquisition and disposal decisions. However, our results indicate that narcissistic CEOs are more likely to acquire brands and are less likely to dispose brands. Second, we find that audience attention...
plays a significant role in explaining the substantive value of brand acquisition and disposal transactions. Our results indicate that the relationships between CEO narcissism and a company’s brand acquisition and disposal value will be amplified by the degree of media coverage. Third, we reveal that the repercussion of CEO narcissism on the financial performance of brands buying and selling; although investors respond negatively when CEOs have higher levels of narcissism, CEOs’ business-related mentions on social media can help alleviate this negative impact of narcissism.

References are available on request.
Investigating Brand Popularity Using Online Implicit Social Network

Jurui Zhang, University of Massachusetts Boston
Raymond Liu, University of Massachusetts Boston

Keywords: brand network, social media, social network, implicit network, brand popularity

Description: This study explores implicit brand networks using musicians’ Twitter account information and explore how musicians’ implicit network structures influence their online popularity.

EXTENDED ABSTRACT

Research Question
1. How can we extract and analyze implicit musician networks on social media?
2. How does the network structure in implicit networks influence brand popularity?

Method and Data
By using 3,000 musicians’ Twitter account information including more than 1 million mostly followed accounts by fans, we explore how musicians’ implicit network structures influence their online popularity using a negative binomial regression model.

Summary of Findings
First, we find that a musician’s degree centrality in the implicit network has a positive effect on the musician’s online popularity. Second, niche width has a negative effect on a musician’s online popularity. Third, we find that the audience size positively influences the online popularity. Fourth, the longer a musician has been in the industry, the less the online popularity. Fifth, the music genres also matter.

Key Contributions
1. This paper presents a novel framework to construct implicit social networks based on musicians’ common users.
2. This is one of the few papers that focus on implicit brand connections and its impact on brand popularity.

References are available on request.

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Employer Brand Personality (EBP): Development and Validation of a Scale

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Manfred Bruhn, University of Basel

Keywords: employees, employer brand, employer brand personality, scale development

Description: This paper describes the development and empirical validation of a scale for measuring employer brand personality.

EXTENDED ABSTRACT

Research Question
For some years now, the recruitment and retention of employees has been a key challenge for companies. Since employer brand attractiveness is linked to an employee’s attraction and retention to an employer, companies faced with a competitive job market need to establish an attractive image as an employer.

Researchers differentiate between instrumental benefits and symbolic benefits of an employer brand and provide empirical evidence for their impact on employer brand attractiveness. Instrumental benefits refer to job and organizational characteristics like pay, job security, or travel opportunity. Symbolic attributes relate to trait inferences (e.g., competence or sincerity) potential or current employees ascribe to an employer or, in other words, to the personality of an employer brand.

The concept of employer brand personality is of crucial relevance for employer brand management because it gives managers a better understanding of the personality of their own employer brand in comparison with the personality of competing employer brands.

However, little is known about the personality traits that employees specifically ascribe to employer brands. The present paper addresses this research gap. The purpose of this study is to develop and empirically validate a scale for measuring employer brand personality.

Method and Data
The employer brand personality scale has been developed and empirically validated by conducting three preliminary studies and one main study. Preliminary study 1: 10 qualitative interviews with students already having work experience. Preliminary 2: written survey with ten nonstudents. Preliminary 3: online survey with 84 students; mean age: 22 years; 51.2 % male; average work experience: 3 years. Main study: online survey with 212 participants; nonstudents; mean age = 34 years; 48.5 % male; average work experience = 6.5 years. We carried out qualitative interviews and a set of exploratory factor analyses and confirmatory factor analyses.

Summary and Findings
The results reveal that employer brand personality consists of four factors: “Drive,” “Reliability,” “Customer Focus,” and “Strength.” Employer brands that are higher on the “Drive” dimension will be perceived to be more “achievement-oriented,” “hard-working,” and “focused” than other employer brands. Employer brands strong in the dimension “Reliability” are associated with personality traits such as “serious,” “secure,” and “solid.” Employer brands with a high “Customer Focus” are linked with “Customer Friendliness” and “Customer Orientation.” This dimension suggests that employees’ perception of an employer brand is not only derived from the latter’s behavior as an employer, but also from its behavior toward the customer. “Strength” captures the trait characteristics “powerful,” “power-oriented,” and “rich.”
**Key Contributions**

First, we contribute to the employer branding and brand personality literature by providing a deeper understanding of the employer brand personality construct. Second, marketing practitioners can utilize the scale to assess the personality of their own employer brand and compare it with the personality of competing employer brands. This knowledge is beneficial for managers as it enables them to derive employer branding strategies to provide symbolic meaning to the employer brand that is different to competitors. Furthermore, the scale is also valuable for researchers who can use the scale for further research on employer brand personality.

*References are available on request.*
Understanding Corporate Brand Advocates’ Experiences About Brand Alignment

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Keywords: brand advocacy, brand alignment, stakeholder, B2B

Description: Present study explores corporate brand advocates’ experiences about alignment with the brand in the B2B context leading to elicitation of three themes: cultural bond, symbiosis, and brand devotion.

EXTENDED ABSTRACT

Research Question
In recent years, academic and managerial interest toward corporate brands has been growing, with the business-to-business (B2B) context being the most fertile ground for corporate brand strategy. Consumers of a corporate brand are not just customers but also other stakeholders such as, employees, suppliers, creditors, media etc. Since, concerns and interests of different stakeholders are diverse there can be misalignment between how a corporate brand is projected and how it is perceived across stakeholders.

Brand advocacy is favorable communication about a brand including the recommendation of the brand to others, or the defense of the brand when it is attacked. Brand advocacy stems from a “deep-seated” alignment with the brand. However, there are no studies which have attempted to relate brand advocacy and brand alignment in the case of corporate brands. As such, the main objective of this paper is to explore and understand how advocates of a corporate brand experience, interpret, and understand alignment with the corporate brand in the B2B context.

Method and Data
In order to shed light on experiences of advocates, this research adopts an interpretivist perspective. Nonprobability purposeful sampling is used. Three brand-advocates clusters were created, each comprising of a corporate brand and its advocates across different stakeholder categories. Senior representatives of each corporate entity (such as, VP-Operations, CMO, CHRO) in each cluster provided the initial information regarding the “brand proponents” of their respective organizations across a diverse group of stakeholders. Representatives across the three corporate entities provided names of 40 potential participants. Out of the 40 suggested names, 27 portrayed characteristics of brand advocates. Hence, they were chosen as the participants of this study. In-depth interviews were conducted to collect data from the research participants. Subject related questions were drawn from the underpinning literature but kept purposely broad. Interviews were recorded and transcribed and these transcripts served as data for the study. Initial codes were generated from the literature review with additional inputs coming from the challenges, issues, and incidents discussed by the respondents. Core themes were identified as to how corporate brand advocates experience, interpret, and understand alignment with the brand.

Summary of Findings
The present study elicits three themes along with the manifestations of each for corporate brand advocates. It was found that one way advocates of a corporate brand experience alignment with the brand is in the form of a cultural bond, which manifested as shared values, beliefs, and activities. Furthermore, it was found that corporate brand advocates experience alignment with the brand in the form of symbiosis. Symbiosis between brand advocates and the corporate brand manifested as reciprocal altruism and imitation. Advocates as symbiotic partners can supplement the corporate brand’s capabilities and lower its risks. The study also found that a few advocates experienced a very strong
form of alignment with the corporate brand in the form of devotion towards the brand. Devotion in advocates manifested as ignoring switching incentives from other brands (i.e., being devoted to a single brand), experiencing separation anxiety in case of any anticipated severance with the brand, forgiving brand transgressions, and displaying objects of devotion.

**Key Contributions**

This study has three theoretical contributions. First, it adds to the literature on brand advocacy. Advocacy has always been studied from a customer perspective. This study, however, concludes that advocates of a corporate brand can be from a diverse range of stakeholders over and above customers, and that these advocates, although diverse, attach a meaning as to how they get aligned with the corporate brand. Second, this study contributes to the nascent literature on brand advocacy in B2B by introducing brand alignment as a precursor to orientation towards advocacy. Third, this study highlights that corporate brands develop bonds and establish relationships not only with customers, but with many other stakeholders, thus contributing to the consumer-brand relationship literature by introducing brand alignment and brand advocacy in the mix for a corporate brand.

The results of this research have important managerial implications as well. In particular, understanding how corporate brand advocates experience and internalize the brand can help companies design brand experiences to transform key stakeholders to advocates and increase brand advocacy. In addition, corporate communicators and marketing managers can design communications based on either most often used brand alignment elements across stakeholders or the themes elicited in this study.

*References are available on request.*
The Dynamic Effect of Corporate Social Responsibility on Consumer-Based Brand Equity

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Keywords: brand equity, CSR, global brand, brand-cause fit, culture

Description: This study examines the dynamic effect that a CSR communication has on the dimensions of brand equity to provide a deep understanding of what drives brand equity.

EXTENDED ABSTRACT

Research Question
The growing emphasis on the importance of socially responsible behavior to the advancement of society as a whole, has led brands to experience an increase in stakeholders demanding an active participation in corporate social responsibility (CSR) practices (Thorne, Mahoney, Gregory, and Convery, 2017). As a result, brands have been taking a strategic approach to CSR by integrating socially responsible activities into the brand’s core value proposition in order to drive brand equity and build strong brands (Guzmán and Becker-Olsen, 2010). Since the power of a brand lies on what the customers have learned, felt, seen, and heard about it (Keller, 1993), brands are increasingly communicating their social initiatives to consumers. A vast literature has investigated the effect of CSR communication on various consumer behavior outcomes. All of these studies examine the static effect of CSR. Yet from a brand building perspective, the implications of the change in awareness, perceived quality, and loyalty due to a brand communication of CSR activities remain less clear, especially regarding the different effect that each one causes on brand equity. Thus, this study examines the dynamic effect that a CSR communication has on the dimensions of brand equity to provide a deep understanding of what drives brand equity.

Method and Data
An experiment was conducted to test the hypotheses. In this study, we examined the change in brand equity based on an actual CSR program run by the multinational car company, Volvo. In its efforts, Volvo created the “corporate citizenship scorecard” to make it easier to keep track of its CSR progress (volvogroup.com). Their corporate citizenship aims are based on a variety of social and environmental concerns such as health, diversity inclusion, reduction of harmful emissions, energy consumption management in car production, etc. First, a pretest was conducted to identify Volvo’s CSR activities with the highest and lowest perceived fit. Next, in the main study, we used the information on brand-cause fit found during the pretest to test the proposed hypotheses. The data were collected in three different countries—United States (pretest = 147 participants; main study = 87), Australia (pretest = 153; main study = 129), and Spain (pretest = 149; main study = 100)—to increase the generalizability of our findings, and to investigate the role of political, economic, and cultural environment on the impact of CSR on the change in overall brand equity.

Key Contributions
This study offers insights into the implications of a CSR strategy on the change in brand value from the consumers’ perspective. First, this study analyzes the dynamic effect of CSR on brand equity demonstrating how each dimension of
BE is contributing to the change in the value that consumers give to the brand, deepening our understanding of how brand equity is being built through the communication of CSR initiatives. Foremost, our findings demonstrate that the change in brand loyalty is the key dimension driving the incremental change in the value that consumers associate to the brand. Second, although communicating a company's CSR initiatives is essential to strengthen brand-cause recognition and recall, an excessive amount of communication leads to negative evaluations of the brand. Moreover, our findings demonstrate that even though the CSR ad decreases the perceived level of quality, this does not change the value that consumers give to the brand, which indicate that taking a strategic approach to CSR activities and communications is still valuable. Furthermore, in terms of change in overall brand equity, the level of brand-cause fit does not have an influence. Finally, our results can be generalized across countries, contributing to the global CSR literature and offering directions for brand managers of global brands. Thus, when aiming to build brand equity by leveraging on a company’s CSR activity, brands must take into consideration the cultural characteristics of the targeted market and that such strategies will have a stronger effect in countries where these actions are perceived to be voluntary and not due to CSR reporting regulations.

Summary of Findings
From a brand building perspective, this study demonstrates the dynamic effect that brand CSR communications have on the change in brand awareness, loyalty, and perceived quality to provide a deeper understanding of how each dimension affects the overall change in brand equity. Findings from an experiment conducted in three different countries (Australia, United States, and Spain) based on an actual brand CSR program, suggest that the change in brand loyalty due to CSR communication is the key dimension driving the positive change in overall brand equity. In addition, change in brand awareness has an inverted U-shape relationship with change in overall brand equity, whereas the change in perceived brand quality does not have an influence. Finally, the results indicate that this effect holds regardless of the level of brand-cause fit, but is greater in countries where CSR reports are not mandatory making such practices be seen as voluntary.

References are available on request.
Unintended Consequences of Corporate Lobbying

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Keywords: corporate lobbying, customer satisfaction, corporate political activity, regulation, customer mindset metrics

Description: While studies have shown that lobbying has positive impact on financial performance, this study uses a multimethod approach to highlight how lobbying can have a negative impact on customer mindset metrics such as customer satisfaction.

EXTENDED ABSTRACT

Research Question
Corporate lobbying, is the most common form of corporate political investment in the United States (Hillman et al. 2004; Chen, Parsley and Yang 2015). Firms devote millions of dollars to lobbying, with many Fortune 500 companies spending more on lobbying than on taxes (Huffington Post 2012). While studies have examined the impact of lobbying on a firm’s financial market performance (e.g., Borisov, Goldman and Gupta 2015; Chen, Parsley and Yang 2015; Martin et al. 2018), to date no study has examined the manner in which a firm’s lobbying can affect customer evaluations of a product. This research addresses this void by developing and testing two distinct routes by which firm lobbying can exert a negative effect on customer mindset metrics (e.g., customer satisfaction, loyalty, purchase intent)—a firm-side route (i.e., mechanisms through which lobbying efforts of a firm influence customer satisfaction without customer awareness of these efforts) and a customer-side route (i.e. mechanisms through which customer awareness of a firm’s lobbying efforts influences customer satisfaction). In the firm side route we examine how the relationship between lobbying and customer satisfaction is moderated by firm size and industry concentration while on the customer-side route we examine the mediating mechanism of cognition and affect.

Method and Data
Our investigation employs a multimethod approach to examine main effects, mechanisms, and contingent effects of the lobbying–customer satisfaction relationship. We first analyze data compiled from a variety of publicly available sources to investigate the firm-side route. We track lobbying expenditure of 79 publicly-traded companies over 16 years and combine this lobbying expenditure data with data on firms’ customer satisfaction, financial information, and industry regulation to create an unbalanced panel dataset. We use panel instrumental variable approach for model estimation. We run a series of experiments to complement the secondary data findings and shed light on the customer-side route through which lobbying impacts customer satisfaction.

Summary of Findings
Firm-Side Route Results: Our analysis reveals that lobbying negatively and significantly affects customer satisfaction. We also find support for the role of firm size in further decreasing the negative effect of lobbying on customer satisfaction. Our results also show that lobbying has a positive interaction with industry concentration, thereby identifying an important boundary condition where lobbying may not have such a dark side on customer outcomes. Finally, our lobbying visibility metric, which is used as a proxy to capture the extent of awareness of customers of a firm’s lobbying effort is negative and significant, providing preliminary evidence, that customer knowledge of a firm’s lobbying efforts can negatively lower customer satisfaction.
Customer-Side Route Results: In Experiment 1, we rigorously study individual customer evaluations of firm lobbying in the context of actual products and brands they use to gauge basic mindset metric effects. Consistent with the findings from secondary data analysis, we find that knowledge of a firm’s lobbying efforts lowers customer satisfaction. In experiment 2, we identify both an emotional and a cognitive mediating mechanism by which lobbying influences satisfaction, as well as message framing factors that can mitigate the negative impact of lobbying knowledge on customer satisfaction.

Key Contributions to Theory and Practice
The findings in this paper contribute to marketing theory and practice in several ways. First, this is the only study in our knowledge that investigates the impact of firm political actions on customer mindset metrics. As our analysis reveals a significant relationship between firm lobbying activities and its customer satisfaction, we hope that this research will prompt scholars to further explore the impact of firm political actions on its customers. Second, we demonstrate two different routes, a firm-side route, and a customer-side route by which lobbying negatively affects customer satisfaction. A key contribution of our paper is that our investigation offers a rare look at the question from both firm and customer perspectives. Third, we reveal additional insights via structural boundary conditions of lobbying impact on customer satisfaction—namely, firm size and industry concentration. Fourth, we demonstrate how lobbying visibility/customer knowledge of a firm’s lobbying efforts affects customer satisfaction—both in the secondary data and through complementary experimental examination. We offer additional managerial implications by verifying the mediating relationship of customer satisfaction between lobbying and firm value in our panel of companies. We conclude by show that if a firm engaging in lobbying activities could garner the support of customer interest/advocacy groups, it could manage to reduce the negative perception of firm lobbying activities.

References are available on request.
Empirical Investigation of the Impacts of “Going Private” on the Behavior of a Firm and Its Consumers

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Keywords: going private, marketing mix, consumer portfolio, marketing-finance interface

Description: In this study, we examine the strategic changes that firms make to their marketing strategies once they encounter a change in the ownership structure—by investigating the behavior of consumer product goods (CPG) companies before and after they went private (during the period 2004–15) and establishing a causal relationship between the ownership structure change and the consequent changes in the marketing mix of the firm.

EXTENDED ABSTRACT

Research Question
Our research question stems from the tension created between short-termism in public companies versus the shortage of capital resources they face once they go private. Specifically, we draw on agency costs, managerial ownership and resource availability. The literature on “going private” establishes the existence of agency costs in public firms, that manifest itself in the form of short-termism and nonalignment of managerial and shareholder motives. In contrast, private firms that are not under the continuous scrutiny of the public domain are expected to be exempt from these issues. Thus, a major change in the firm-behavior could be attributed to it. This would be enhanced by a lower managerial ownership causing a misalignment of priorities between management and ownership in the public firm. However, public companies have easier access to capital, both equity and debt, owing to their reduced cost of capital. So, private firms have (a) access to lower levels of capital and (b) higher constraints in capital spending.

This makes for an interesting trade-off faced by going-private firms, which makes it worthwhile to investigate their actual behavior in terms of their marketing mix and consumer responses. We seek to answer this question through an empirical investigation.

Method and Data
Following is a summary of the data sources we have used for our analyses:

- **Data** Names of going private companies
- **Used to calculate** Sample set for focal group
- **Source** SDC database and matched with CRSP and Compustat data.
- **Data** Brand-company relationship
- **Used to calculate** Sample set for focal group
- **Source** WIPO website (World Intellectual Property Organization)
- **Data** Products sales and revenues data
- **Used to calculate** New product introduction, product discontinuation, product revenues, product prices
- **Source** Nielsen Scanner and Consumer panel data (2006-2015)
- **Data** Consumer purchase data
- **Used to calculate** New consumer acquisition, consumer attrition and retention, revenue contribution from consumers
- **Source** Nielsen Consumer panel data (2004-2015)
- **Data** Retailer and store sales data
- **Used to calculate** Retailer and store openings, retailer and store discontinuations, retailer revenues
- **Source** Nielsen Scanner data (2006-2015)
- **Data** Discount coupon data
- **Used to calculate** Promotional spending
- **Source** Nielsen Consumer panel data (2004-2015)

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• Data SIC wise sales data
• Used to calculate HHI (Control Variable)
• Source CRSP/ Compustat database

• Data News articles from leading newspapers
• Used to calculate Analyst coverage (Control variable)
• Source Capital IQ

• Data Company founding years
• Used to calculate Company age
• Source Multiple sources

• Data Consumer purchase data
• Used to calculate Frequency of purchase of most prevalent product category
• Source Nielsen Consumer panel data (2004-2015)

Methods
We use an event study approach, treating “Going private” as the event. Since the decision to go private is an endogenous decision, based on heterogeneous firm characteristics, we use a combination of Differences-in-Differences and Propensity score matching to tease out any selection bias that might be present in our sample of 65 CPG firms that go private in the period 2004–2015. The Propensity Score matching technique is utilized to create a control group consisting of 71 companies (that stayed public during the entire period). Propensity scores were calculated based on the going-private predictors suggested by Bharath and Dittmar (2010). We control for firm-specific effects over time as well as cross-sectional effects stemming from unobserved time-specific variation. We include firm age, Industry concentration and analyst coverage as controls following Wies and Moorman 2015.

Summary of Findings
Our study finds the following impacts of going private:

• There is no significant impact on “New SKU introductions” but “SKU discontinuations” decrease post going private
• There is no significant impact on “New Brand introductions” but “Brand discontinuations” decrease post going private
• There is an increase in both “Product category introductions” and “Product category discontinuations”—implying companies usually undergo an overhaul of product categories after going private. But the number of SKUs and brands they introduce is not significant enough in comparison with their overall SKU and brand portfolio.

We do not find evidence of SKU rationalization within brands—i.e., there is no significant reduction in the number of SKUs per active brand.

There is, however, rationalization in the contribution of brands to the overall revenues of the firm. We find that the contribution of the top 20% firms reduces significantly post going private—thus implying that the contributions from different brands in the portfolio tend to become more uniform after the firm goes private. This could be because of careful culling of unsuccessful brands and accurate targeting of the successful brands in the firm’s portfolio.

We do not find evidence for increase or decrease in the product prices of going-private firms

Coupon usage frequency of consumers decreases although the amount of discounts given out by the company (Coupon value in $) undergoes no significant change.

Coupon usage ($) as a ratio of revenues increases post going private.

Key Contributions
The marketing literature in the “Going public” and “Going private” domains has been limited to firm innovation post going public. In this study, we will take a closer look not only at innovation behavior of the going-private firms, but we also include other consumer focused variables such as product-portfolio alterations, product price and placement changes, consumer portfolio changes and promotional spending behavior.

Our study contributes to the marketing-finance interface literature in the following ways. Firstly, we use scanner level data to identify product metrics at the level of SKU, brand and product category and study how going private affects these metrics. In this way, we extend the findings of Wies and Moorman (2015) for A) going-private firms, B) product metrics at the SKU level and C) studying pricing, portfolio and promotional metrics in addition to innovation. Secondly, we examine the trade-offs for going-private companies between reduced short-termism and scarcity of resources for going private companies and provide evidence for both effects in different cases. In this way, we make the case that there are complicated dynamics that makes one of these effects dominate the other, thus producing mixed outcomes for the firms. Thirdly, we use a quasi-experimental method to tease out endogeneity and self-selection biases, thus making our case stronger for the implied causality. Finally, our study has relevant implications for managers who are planning to explore methods of going private for various reasons.

References are available on request.
A Political Economy Model of Restrictions on FDI

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Rajeev Sawant, Florida Atlantic University

Keywords: game theory, political economy, vote-buying models, MNC lobbying, Hotelling-Downs models

Description: We address the puzzle of why countries place restrictions on FDI.

EXTENDED ABSTRACT

Research Question
While extensive political economy research shows that political considerations drive economic policy outcomes, research regarding the effect of foreign lobbying is underdeveloped. Countries vary in whether they permit foreign lobbying contributions and when they do such lobbying may suffer due to voters’ nationalistic feelings and stigma attached to foreign lobbying. Given the heterogeneity in restrictions on foreign lobbying across countries, we develop a Hotelling-Downs vote-buying model of foreign direct investment (FDI) that analyzes policy outcomes when foreign (multinational corporations or MNCs) lobbying is forbidden and when MNCs are permitted to lobby.

Summary of Findings
Our model suggests that lobbying contribution transparency, liability of foreign lobbying and ratio of domestic profit losses to MNC profits from FDI are critically important determinants of endogenous policymaking. We show that when consumers are uncertain about the extent of consumer surplus from FDI and domestic lobbying contributions are not transparent, the domestic consortium can obtain its preferred policy of denying FDI by strategically modulating the extent of lobbying contributions. Yet when foreign lobbying is permitted, under full information, consumer surplus does not affect policy outcomes. Rather the profit transfer ratio drives policy outcomes. Thus, our model highlights the critical importance of the domestic profit losses from FDI relative to MNC profits from FDI in the host country as determinants of the political outcome of lobbying. Under full information, we show that FDI is less likely when domestic profit losses exceed foreign profits. Under information asymmetry however, we show that FDI is less (more) likely when liability of foreign lobbying exceeds (is less than) the profit transfer ratio.

Key Contributions
We show that when foreign exclusion from lobbying is combined with information asymmetry regarding extent of consumer surplus from FDI and transparency of lobbying contributions, domestic firms can modulate their lobbying contributions to the extent of lobbying transparency and strategically create false signals for consumer groups. Thus, domestic consortium can prevent FDI when consumers are uncertain about consumer surplus even though lobbying contribution transparency enables consumer groups to observe the contributions. This may explain the puzzle of why some countries place restrictions on foreign capital flows intended for direct investment in productive assets in their home markets. Our analysis thus furthers understanding of the political roots of FDI restrictions and contributes to the political economy literature. Our findings suggest that MNC lobbying may benefit MNCs through favorable policy even though the MNC suffers from a liability of foreign lobbying as long as domestic profit losses are low relative to MNC profits. Even though consumers may be unaware of their surplus from FDI, MNC lobbying can prevent welfare reducing FDI policies when MNC entry does not cause severe profit declines to domestic competitors. Our model thus shows that foreign lobbying is important in preventing welfare reducing protection against foreign investments.

References are available on request.
Consumer Acceptance of Eco-Innovations: The Moderating Role of Innovation Type

Jacob Suher, Portland State University
Ethan Cotton, Portland State University

Keywords: sustainability, corporate social responsibility, innovation, consumer behavior

Description: Four consumer choice experiments provide evidence for a multidimensional framework of sustainability and preference for alternative forms of eco-innovations.

EXTENDED ABSTRACT

Research Question
Can eco-innovations in product supply chain, material durability, and social sustainability (i.e., as opposed to product material environmental friendliness) increase consumer acceptance and preference for sustainable consumer products?

Method and Data
Structured in-depth interviews with product managers develop a multidimensional sustainability innovation framework that the authors empirically validate with a consumer survey. Then, four choice experiments in two studies investigate consumer preferences for eco-innovation types.

Summary of Findings
Study 1 presents an exploratory evaluation of the sustainability innovation framework that provides evidence that consumers may prefer dimensions of sustainability outside of material environmental friendliness.

Study 2 uses three choice experiments to investigate consumer preference for three forms of eco-innovations that go beyond product material environmental friendliness. The results confirm past findings regarding the limited attractiveness of product material environmental friendliness and contribute new evidence of consumer preference for alternative innovations. Most remarkably, we see that consumers prefer material durability as a form of sustainability, even when it may have a negative impact on the environment. In addition, there is evidence that consumers may prefer products with supply chain and social innovations to those with material innovations.

Study 3 investigates the factors that influence consumer preference by comparing options with superior supply chain as opposed to material sustainability. The primary result is evidence that durability sustainability innovations are strongly preferred in product materials whereas environmental friendliness innovations are preferred in supply chains. Our findings also suggest that consumer mindsets partially underlie the preference for eco-innovation type. A complete product lifecycle mindset increases preference for superior material sustainability, whereas a trend-focused mindset increases preference for superior supply chain sustainability.

Key Contributions
The research makes three main contributions to the literature on consumer behavior and corporate social responsibility that have managerial implications for understanding the macro social trends influencing consumer decision-making. First, we develop and provide empirical support for a multidimensional framework of eco-innovations. Importantly, this framework identifies the novel category of supply chain eco-innovation. Second, three choice experiments investigate consumer preferences for supply chain, material durability, and social sustainability eco-innovations. The results move beyond past research on material environmental friendliness by demonstrating when consumers prefer alternative forms of eco-innovations, even when they lead to a

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decrease in environmental friendliness. Third, a final consumer experiment provides evidence for the process underlying consumers’ preferences for supply chain innovations and demonstrates two moderators of eco-innovation acceptance. These moderators contribute to understanding why consumers prefer supply chain innovations and provide actionable tactics for firms to address current limitations of product materials innovations.

References are available on request.
The Complexity of Event Management from a Service Ecosystems Perspective

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Keywords: event management, service ecosystems, value cocreation, knowledge transfer, sport event

Description: By applying a service ecosystems perspective, this paper highlight positives and challenges in different phases of a major sport event and suggest conditions of event management that facilitate a successful delivery of an event.

EXTENDED ABSTRACT

Research Question
In events, stakeholders need to work together through certain phases (before, during, and after the event) in a systemic and dynamic way. Considering events to be temporary organizations that are founded on networks with different stakeholders, we argue that events are service ecosystems (Vargo, Wieland and Akaka, 2015). This research investigates the complexity in the implementation and hosting of a major international sport event by using the Union Cycliste Internationale (UCI) Road World Championship 2017 (hereafter RWC 2017) hosted by Bergen, Norway. By applying a service ecosystems perspective, we highlight positives and challenges in different phases of the event and suggest conditions of event management that facilitate a successful delivery of an event.

Method and Data
We conducted a descriptive case study (Yin, 2014) of the UCI RWC hosted in Bergen 17–24. September 2017. Altogether six central persons within Bergen 2017 and two UCI representatives were interviewed with a guide tailored to their stakeholder position. They were questioned about their role and experiences in the process before, during, and after the RWC 2017. We complemented the interview data with documents provided to us by the interviewees and from the government, and the final RWC 2017 report (Holmen, Eide, Løken, and Jakobsen, 2018), the final report from Richmond RWC 2015, and media articles.

The first step in the analysis was to identify relevant concepts in the data and group them into categories (open coding). The first order (Van Maanen, 1979) codes identified the level of meaning of the informants together with illustrative quotes. Second-order themes, using researchers’ centric concepts were identified (cf. Gioia, Corley, and Hamilton, 2012) during different phases of hosting and managing the event. We used the phases of an event as a structure for the analyzing procedure, where the data structure allowed us to progress from raw data to the development of a theoretical model (Pratt, 2008; Tracy, 2010).

Summary of Findings
The RWC 2017 was a great success when assessed from a spectator and tourist perspective with over 100,000 people in the crowd for the men’s race on the last day. However, “things come down to budget and lack of organization” as one UCI interviewee started, and in that regard the championship was far less successful. Through the dynamic phases of the event, RWC 2017 provided an opportunity to understand how to manage the complexity of temporary organizations (Lundin and Söderholm, 1995) and the challenges and positives of operating in a service ecosystem of stakeholders (Lusch et al., 2016). Bergen 2017 appeared to have...
conducted an inadequate risk analysis, leaving them unprepared for the reduction in funding from the government and initial sponsors. The research also demonstrated the lack of financial, material, and human resources invested in the service ecosystem, the lack of an implementation plan and knowledge transfer between the event phases, and the challenging value cocreation processes between Bergen 2017 and the UCI, as well as other involved stakeholders (municipalities, security firms, sponsors, volunteers, etc.). However, the branding of Norway and the RWC was great, with media coverage of the broad cultural program, and of the spectator experiences and support.

**Key Contributions**

Based on the analysis, this paper argues that an event needs to be considered a holistic process, with one event phase leading to another (Autio and Thomas, 2014), functioning through value cocreation and knowledge transfer to become effective, sufficient, and successful (Lusch et al., 2016). There is a need to conduct risk analysis and undertake financial support (i.e., from the government and sponsors), and to work on resource planning, event branding and well-planned marketing communication in the bidding phase. During the planning phase, all the stakeholders need to integrate resources and actor engagement necessary for obtaining positive value cocreation processes (Lusch et al., 2016). In the implementation and in the post event phase, there is clearly a need for well-organized working processes and for making and maintaining institutionalized rules as a complexity reduction element in the service ecosystem (Davis and Kackenzie, 2014).

Between different service ecosystems (e.g., previously hosted and/or future events), knowledge transfer is a crucial factor, so that future event managers may learn from positive aspects and challenges of the different phases (Lundin and Söderholm, 1995). This may successfully be achieved by applying digital platforms for information sharing and handover to upcoming events (Barrett et al., 2015; Cusumano, 2012).

*References are available on request.*
Intrafirm Complexity and Marketing Strategy

New Thinking on Capabilities and Complexity

Digital Business Capability and Its Effect on Firm Performance
Christian Homburg, Dominik Wielgos, Christina Kuehn
ICM-2

A Capability-Based Framework for Customer Experience Management
Farah Arkadan, Emma K. Macdonald, Hugh N. Wilson
ICM-3

The Interplay Between Firm Capabilities and Technological Environment: How Technological Turbulence, Uncertainty, and Acceleration Moderate the Worth of Marketing, R&D, and Design Capabilities
Saeed Janani, Michael A. Wiles, Gaia Rubera
ICM-4

Blockchain (Cryptocurrency) Technology and Vertical Integration (Make or Buy) Strategies: A Theoretical Analysis
Smaraki Mohanty, Debi P. Mishra
ICM-6

Innovation in (and for) a Complex World

Ready to Let Go! The Impact of Consumers’ Task Expertise on the Intention to Adopt Autonomous Products
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Digital Business Capability and Its Effect on Firm Performance

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Keywords: digital business capability, dynamic capabilities, strategic marketing, firm performance

Description: This study identifies digital business capability as a firm-level capability, which reflects a superior digital business, and shows its positive effects on firm performance across varying firm-internal and firm-external settings.

EXTENDED ABSTRACT

Research Question
1. What is the nature of a firm-level capability, which reflects a superior digital business?
2. How can this firm-level capability be conceptualized and operationalized?
3. Does this firm-level capability, and if so, how and when does it impact firm performance?

Method and Data
In-depth interviews, structural equation modeling (SEM), moderating effects, mediation analysis, survey data from managers and archival data (ROS, ROA)

Summary of Findings
Drawing on qualitative and quantitative data, we first conceptualize and operationalize digital business capability (DBC). Using survey and archival data, our results show that DBC directly affects firm performance in terms of return on sales (ROS) and return on assets (ROA). Innovation advantage can be identified as an underlying mechanism (i.e., mediator) for these relationships. Interestingly, external dynamism moderates the effect of DBC on firm performance, but not on innovation advantage, whereas the opposite is true for internal dynamism.

Key Contributions
1. Conceptualizing a theoretically sound and deriving a parsimonious, industry-independent operationalization of DBC may provide a meaningful scale for future research in the field of strategic marketing and an actionable management tool to establish, administer, and evaluate digital business practices.
2. Providing evidence for the positive effects of DBC on firm performance constitutes a valuable starting point for investigating additional performance outcomes (e.g., customer performance) and helps managers to justify substantial investments in DBC to senior management.
3. Investigating moderating effects contributes to a more nuanced view compared to many of the overly simplistic views in consulting reports, which state that digital business practices—in our study DBC—are universally beneficial regardless of a firm’s environment. Importantly, our results indicate in which environmental settings managers should put special emphasis on DBC.

References are available on request.
A Capability-Based Framework for Customer Experience Management

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Keywords: customer experience management, agile capabilities, knowledge exchange and combination, commitment-based HR practices, entrepreneurship

Description: This research develops an empirically grounded conceptualization of managerial capabilities underpinning customer experience management.

EXTENDED ABSTRACT

Research Question
What does customer experience management entail?

Method and Data
Using social practice theory and comparative cross-case analysis that tacked back and forth between case study data and existing literature, this study first identifies 24 customer experience management actions based on evidence from six case studies across different industries. In addition to conducting extensive ethnographic observation and the analysis of corporate documents and artefacts, the main method of data collection was in-depth semi-structured interviews with leaders, managers and employees. The authors conduct two types of interviews including the Interview to the Double (ITTD), an ethnographic interview technique underpinned by practice theory. Informed by strategic agile management literature, we synthesize these 24 experience management actions into a number of capabilities.

Summary of Findings
We find three CE optimization capabilities: (1) experience alertness, (2) experience agility, and (3) experience knowledge integration. The three capabilities represent higher-order capabilities built around a total of eight specific capabilities.

Key Contributions
A key contribution of this study is a review of recent thinking pertaining to success in complex and dynamic environments from such fields of literature as agile management, entrepreneurship, innovation, and strategic human resource management to inform a conceptualization of CE management in contemporary firms. In doing so, we conceptualize CE management as continuous CE optimization in the face of CE uncertainty, a unique facet of environmental uncertainty. This notion of customer experience uncertainty informs further elaboration of how customer experience management differs from the prevalent marketing management approach of market orientation.

References are available on request.
The Interplay Between Firm Capabilities and Technological Environment: How Technological Turbulence, Uncertainty, and Acceleration Moderate the Worth of Marketing, R&D, and Design Capabilities

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Keywords: firm capabilities, technological dynamism, design, firm performance

Description: In this empirical study, we show that firm capabilities (i.e., marketing, design, and R&D) are more or less rewarding in certain technological conditions.

EXTENDED ABSTRACT

Research Question
We seek to answer the following research questions: (1) does design capability impact firm performance? (2) how does it interact with marketing and R&D capabilities? and (3) how does the technological environment—technological turbulence, uncertainty, and acceleration—moderate the impact of marketing, R&D, and design capabilities on firm performance (i.e., ROA)?

Method and Data
We obtain all the design and utility patents published as of 1980 through 2016 in the United States and match them to publicly traded firms from COMPUSTAT. This data is utilized to calculate the technological market conditions. The final data set is used for estimation comprises of 1812 firms across 416 SIC codes (65 2-digit SIC) and 15,488 firm-year observations, with 8.55 years of data for each firm on average from 1986 to 2013. We measure marketing and R&D capabilities using the SFE technique following prior research, and calculate design capability in a similar manner, utilizing the firm’s design patents. We used design and utility patent stocks as the inputs of design capability and the number of design patents as the output. We utilized the system GMM method and controlled for confounding variables, unobserved time-invariant firm heterogeneity, and omitted variable bias due to carry-over effects of the firm’s past actions.

Summary of Findings
We confirm that all capabilities have positive effects on ROA, but reveal technological conditions provide important boundaries on such effects. Technology turbulence enhances the positive marketing capability-ROA relationship, but attenuates R&D capability’s positive impact. The impact of all three capabilities is strengthened by technological uncertainty, and the positive impact of R&D capability is also higher when technological acceleration is high. Further, we show that design capability has a substitutive relationship with R&D capability on ROA.

Key Contributions
This paper offers several contributions for theory and practice. First, we propose design is a firm capability and measure it utilizing the SFE technique. We illuminate that design capability enhances ROA. Second, we provide new insights on the interplay between capabilities. We find that design...
and marketing capabilities have no interaction, but we observe a negative interaction between design and R&D capability. This suggests that design and marketing capabilities are distinct drivers of firm performance, but R&D and design capabilities are substitutive. Third, we are the first to identify and separate the key technological environmental conditions—technological turbulence, uncertainty, and acceleration—and to illuminate their impact on the relationship between firm capabilities and performance. We reveal that as the rate of technological change increases, marketing capability plays a more critical role in driving profitability, but R&D capability undergoes a diminishing return. All the capabilities become more rewarding as the technological uncertainty increases, but only the impact of R&D capability is enhanced when technological acceleration is high. Our investigation thus provides valuable new insights to firms on how to allocate their resources to best compete in different technological environments.

References are available on request.
Blockchain (Cryptocurrency) Technology and Vertical Integration (Make or Buy) Strategies: A Theoretical Analysis

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Keywords: blockchain, Bitcoin, vertical integration, intrafirm complexity, transaction cost

Description: Vertical integration (make or buy) decisions and strategies in marketing can be significantly enhanced by incorporating and melding the emerging blockchain technology logic with the conventional predictions of transaction cost theory.

EXTENDED ABSTRACT

Research Question
Although transaction cost economics has enhanced our theoretical understanding of vertical integration (Rindfleisch and Heide 1997; Weber and Myer 2014; Williamson 1973), practicing managers do not appear to understand and apply the principles of integration issues very well (Drew 2009; Bishop 2013). Hence, by appraising integration decisions in conjunction with blockchain concepts and transaction cost theory, managers can realize more efficient outcomes.

Summary and Findings
The objective of this paper has been to discuss how the emerging blockchain technology can influence firms’ make or buy decisions. At its core, a blockchain creates a permanent ledger of relevant transactions between parties that can potentially lower transaction costs and render contractual safeguards more actionable (Gupta 2017). By using blockchain as an adjunct to traditional contracts, firms can incorporate plain language in external contracts and avoid costly integration decisions.

Historically, institutions have been charged with the responsibility for creating and maintaining transactional transparency. However, these central authorities can abuse their power in a number of ways. In such scenarios, the blockchain technology, which uses the mechanism of a decentralized ledger, can eclipse unilateral opportunism by creating trust and transparency in the system (Hansen and Kokan 2017). Furthermore, public blockchains (with numerous participants), and permissioned or private blockchains that create indelible records of inter-firm transactions may reduce transaction costs and shift governance decisions to the buy domain. This paper provides a detailed analysis of the different stages of the value chain where blockchain technology may be relevant for decision making pertaining to integration.

Key Contributions
This paper makes a number of contributions to the extant literature on vertical integration. First, instead of treating our knowledge of vertical integration through the lens of transaction cost theory as complete, at a very minimum, there is potential to enhance our practical understanding of make or buy decisions by considering emerging approaches such as the blockchain technology. In particular, such a hybrid approach can shift conventional decisions from one governance mode to another. Second, the study of blockchain can also reconcile divergent viewpoints among academics and practitioners where one school of thought advances the buy decision with simple contracts even when the contracting environment is complex, while another argues for the primacy of lawyers and the need for a comprehensive, contingent and costly contractual regime. In this context, the blockchain technology promises to bridge our gap in thinking about contracts as belonging to these extreme viewpoints by creating embedded transparency about the past actions and future intentions of an exchange partner. Third, a smart contract, which is a type of process that can be automated
and triggered on certain binary factors, can be used as a solution to both information asymmetry and mistrust in parties where agency relationships dominate. Finally, we develop a managerial decision framework that articulates the practical impact of the blockchain method and can guide practitioners about blockchain’s impact on vertical integration.

References are available on request.
Ready to Let Go! The Impact of Consumers’ Task Expertise on the Intention to Adopt Autonomous Products

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Keywords: autonomous products, extended TAM, consumer task expertise, adoption intentions

Description: The aim of this research paper is to investigate the mechanisms that underlie consumers’ intentions to adopt autonomous products.

EXTENDED ABSTRACT

Research Question
In recent years, more and more companies have been working on launching autonomous products. However, it is not clear whether all consumers will perceive them as useful or will perceive risks that such products might entail. For instance, do individual differences determine how consumers will evaluate and form intentions to adopt this new product class?

Method and Data
Three studies are conducted. Study 1 (n = 101 Mturk participants) one factor was manipulated between-subject (Product autonomy: No autonomy vs. Assistive autonomy condition), and four other constructs were measured on a 7 point Likert scales. In Study 2 (n = 137 Mturk participants) one factor was manipulated between subject (Product autonomy: Assistive autonomy vs. Full autonomy condition). The 3rd study (n = 253 Mturk participants) replicates results from the first two studies.

Summary of Findings
Overall, the empirical findings are in line with our theoretical expectations. Specifically, (1) consumers with higher task expertise perceive assistive autonomous products to be more useful while consumers with low task expertise associate higher performance risk with such products operations and functions. Contrary to that, consumers with low task expertise perceive full autonomy products to be more useful compared to consumers with high task expertise who associate higher performance risk with full autonomy products operations. Thus, the findings of our study shed light on the very important role of consumer task expertise in explaining consumers’ intentions to adopt a new type of emerging product technology (i.e., autonomous products) where consumers may have to relinquish task control to the products.

Key Contributions
We are able to identify important factors that influence consumers’ intentions to adopt a new type of product technology i.e., autonomous products. To our knowledge, this is the first empirical paper to consider the effect of individual differences (i.e., consumer task expertise) in analyzing both perceived risks and rewards in the context of autonomous products adoption. Most consumer studies, including prior research on autonomous products, tend to study the direct effects of external factors, which may be somewhat obvious (Baron and Kenny, 1986). We believe that our study advances research on autonomous products in a meaningful way by investigating the moderating effects of external factors, such as consumer traits. Our study also contributes to clarify our understanding and conceptualization of product autonomy in consumption context and by proposing a framework that sheds light on the mechanisms associated with consumers’ intentions to adopt autonomous products. Finally, we articulate the adoption-decision process by providing an actionable and concise set of factors in the context of autonomous products, which also provides practical implications for marketers in the introduction and launch of autonomous products.

References are available on request.

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Curb Your Enthusiasm: The Influence of Top Management Team Regulatory Focus on New Product Launches and the Proclivity Toward Patent Infringement

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Keywords: regulatory focus, product innovation, patent infringement, high technology

Description: This research examines light and dark sides of top management teams’ regulatory focus, specifically focusing on how regulatory focus influences the number of new products a firm releases and the number of patent infringement lawsuits brought against firms.

EXTENDED ABSTRACT

Research Question
Upper echelon theory, the perspective that organizations are reflections of their top managers and that firm actions flow from the top down (Hambrick and Mason, 1984), has long been used to study marketing strategy decision-making, firm performance, and firm innovation (e.g., Kashmiri and Mahajan, 2017; Nath and Mahajan, 2008; Nath and Mahajan, 2011; Yadav, Prabhu, and Chandy, 2007).

In this study we investigate the regulatory focus of top management teams and the influence of a prevention focus and a promotion focus on both a firm’s number of new product launches and patent infringement litigation brought against the firm. In regulatory focus theory (Crowe and Higgins, 1997; Higgins, 1998), individuals are thought to be driven by two types of motivation, a promotion focus (eager to win; driven by gaining rewards) or a prevention focus (vigilant; driven avoiding punishments/negative consequences).

This study is guided by the following research questions: (1) How does the regulatory focus of top management teams influence the number of new products firms are able to introduce to the marketplace? (2) How does the regulatory focus of top management teams influence the number of patent infringement lawsuits brought against a firm?

Method and Data
Public firms operating in the semiconductor industry tracked over a period of five years (2009–2014) provides the context to examine these research questions. We chose semiconductors because it has relatively short innovation cycle times. Subsequent data collection and analysis will focus on multi-industry models. Because our data includes observations within and between firms, across multiple years, we use a panel data model with fixed and random effects to analyze the data.

The two components of regulatory focus, prevention and promotion, were collected using 1,381 transcripts gathered from a database of quarterly conference calls, and analyzed using the linguistic software LIWC (Pennebaker et al., 2015). Using the linguistic dictionaries for prevention and promotion which were created and validated by Gamache et al. (2015), we calculated linguistic scores for each quarter, then aggregated the data to the annual level to create our two independent variables.

Our dependent variables, new product releases and patent infringement litigation against the firm, were both measured using the Capital IQ S&P Key Developments database. After eliminating duplicate events, these variables were measured...
using a one-year lagged a count of the number of new prod-
ucts released and the number of patent infringement lawsuits
brought against a firm.

Summary of Findings
Our preliminary results of our panel data model show that a
promotion focus is negatively and significantly related to
new product releases, while a prevention focus is negatively
and significantly related to being the defendant in new
patent infringement litigation. In other words, the more pro-
motion-focused a top management team is, the fewer new
products they will release the following year. On the other
hand, the more prevention-focused a top management teams
is, the less likely their firms are to be served with lawsuits
for patent infringement in the following year. Subsequent
phases of this research project will investigate these relation-
ships in different industry contexts, and look at potential
moderating factors.

Key Contributions
This work potentially has several contributions to theory.
First, much of the past work that deals with the relationship
between regulatory focus and innovation outcomes has
been conceptual (e.g., Baron, 2004; Brockner et al., 2004).
We contribute to that literature by empirically investigating
how a promotion and prevention focus within a firm influ-
ences new product development and innovation. Second,
we look at regulatory focus from a group perspective (Flo-
rack and Hartman, 2007); past research in marketing
strategy has primarily focused on single decision-makers
(e.g., the CEO). Third, we identify a causal mechanism in
TMTs that helps (or hinders) a firm’s propensity to launch
new products.

From a managerial perspective, we explore potential light
(i.e., the ability to launch new products) and dark sides (i.e.,
patent infringement) of regulatory focus as it relates to inno-
vation management, new product development, and product
profitability. Given the increasing importance attributed to
innovation and product launches, there are growing risks of
litigation associated with patent infringement. Our research
shed lights on how regulatory focus impacts litigation con-
cerns, an issue which can help managers avoid expensive
setbacks to their innovation efforts.

References are available on request.
Decision-Making Authority in Innovation Development: A Dual Mediation Model

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Keywords: innovation development, decision-making authority, organizational innovativeness

Description: Based on a multimethod approach, the present study sheds light on the role of dispersion and delegation of decision-making authority as mediators for the relationship between organizational innovativeness and innovation performance.

EXTENDED ABSTRACT

Research Question
Effective decision-making in innovation development requires companies to organize which functional groups have a say in decisions and how decision-making authority is allocated within these functional groups. In line with the information-processing view, companies can horizontally disperse decision-making authority across functions as well as vertically delegate decision-making authority within functions. Most studies investigate the delegation of decision-making authority but there is paucity of research studying how decision-making authority should be organized both horizontally and vertically for effective decision-making in innovation development.

Further, based on the information-processing view, we postulate that the extent to which decision-making authority is dispersed and delegated in innovation development depends on the company’s innovativeness. Organizational innovativeness is expected to impact performance and we expect that the organization of decision-making authority—both from a horizontal and vertical viewpoint—acts as an important mediator in this relationship.

Thus, we address the following research questions: (1) How does dispersion and delegation of decision-making authority affect performance and (2) do dispersion and delegation of decision-making authority mediate the organizational innovativeness-performance relationship?

Method and Data
To address our research questions, we use data garnered from a cross-sectional survey (n = 212) targeting managers experienced in innovation development. We deployed covariance-based structural equation modelling to test the direct effects. To examine the proposed mediation effects, we relied on the product of coefficients approach and bootstrapping. Moreover, to test for potential endogeneity due to reverse causality, we additionally conducted an experiment (n = 77) with managers experienced in innovation development. We used a 2 (organizational innovativeness: low vs. high) × 1 between-subjects design. The respondents were asked to envision that they work as a Vice President of Innovation Management for a company with an organizational culture that is characterized by low (high) innovativeness. Following the manipulation, the respondents had to make decisions regarding the dispersion and delegation of decision-making authority for an innovation development project.

Summary of Findings
We find positive effects of dispersion as well as delegation of decision-making authority on performance. Accordingly, the influence of functional groups on decision-making should be balanced between the involved functions and project team members should possess the autonomy to make decisions independently. Regarding the impact of organizational innovativeness on the organizational design of decision-making authority, results reveal positive effects of organizational innovativeness on dispersion and delegation of decision-making authority. Consequently, the more innovative a company is, the greater the extent to which decision-making authority is dispersed across functions and delegated to project members. The results also unveil that dispersion and delegation of deci-
sion-making authority fully mediate the relationship between organizational innovativeness and performance. Finally, the findings from our experiment corroborate the direction of the hypothesized relationships between organizational innovativeness and the two facets of decision-making authority. That is, organizational innovativeness leads to higher dispersion and delegation of decision-making authority.

Key Contributions
First, while prior studies demonstrate the importance of decision-making authority of single functions, mainly marketing or R&D, the effectiveness of dispersion of decision-making authority across all functions involved in innovation development has been neglected. Thus, our findings emphasize the relevance to not only consider a single function’s authority but the overall distribution of decision-making authority across functions involved in innovation development. In so doing, we enrich the literature on decision-making authority by going beyond the influence of individual functions. Second, although the information-processing view suggests that the organizational design of decision-making authority constitutes of two dimensions, previous innovation development research focused on one dimension at a time. Thus, studying both features conjointly represents an important advancement of prior work and hones our understanding of the joint effectiveness of dispersion and delegation of decision-making authority in innovation development. Third, we demonstrate that dispersion and delegation of decision-making authority represent the mechanisms through which organizational innovativeness translates into performance. By identifying dispersion and delegation of decision-making authority as mediators, our study enriches previous research investigating organizational culture and particularly organizational innovativeness.

References are available on request.
Channel Elasticity and Marketing Mix Synergies: A Meta-Analytic Review

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Keywords: channel strategy, channel elasticity, meta-analysis, marketing mix, HLM

EXTENDED ABSTRACT

Research Questions
We conduct this meta-analytical research based on broad and in-depth examination of existing literature in the field of multichannel marketing. With all the prior findings collected, we aim at comprehensively examining and uncovering the complexity of firms’ retail channel distribution strategies and its synergies (both positive and negative) with other marketing mix elements, in terms of their varied effects on firms’ business performance.

Our research questions include: (1) Whether the multichannel distribution strategy is more rewarding than the single-channel distribution strategy with either online or offline channel; and (2) Whether there exists some contingency factors, which may affect a firm’s distribution channel strategy and its performance. At the market level, we examine (i) the effect of industry growth rate. At the firm level, we investigate (ii) marketing mix elements composed of marketing communication channels, product types (frequently purchased or not), and price promotions; (iii) a customer loyalty factor, and (iv) firm characteristic factors comprised of firm size and channel management capabilities. Furthermore, to account for the potential estimation bias in previous empirical studies, we also consider the effects of (v) data characteristic factors and vi) modeling characteristic factors.

Method and Data
One of our main objectives for this meta-analysis is to identify factors (at both firm- and market- levels) affecting the average channel elasticities (ACEs), defined as the link between firms’ varied distribution channel strategies and their business performance measured by order, sales, and/or profit. Consistent with the prior meta-analyses in the marketing discipline, we followed the criteria of only including papers that either directly report elasticities based on econometric models, or contain regression coefficients, from which we can derive the elasticities. Thus, we excluded all papers solely based on experimental learnings. We eventually collected 317 ACEs from 37 studies. The mean ACE based on our raw data is 0.41 (median = 0.05; standard deviation = 2.13). The total number of studies reporting negative ACEs is 103 (32.5%). More specifically, 76 of these negative ACEs are observed in firms adopting single channel strategy (either offline or online), instead of a multichannel strategy.

We also identify contingency factors potentially affecting the relationship between firms’ distribution channel strategy and their business performances (i.e., ACEs). In this case, regular OLS method is considered inappropriate since data collected for the meta-analysis usually embed a nested relationship within the selected studies, which could further lead to heteroscedasticity. Therefore, we employed hierarchical linear modeling (HLM) to accommodate the within-study error between ACEs. The model is estimated via the maximum likelihood estimation method to acquire robust, efficient, and consistent estimates.

Summary of Findings
Our modeling result shows that firms with merely single channel strategy usually have smaller ACEs, be it offline or online. This implies that the single-channel strategy is generally less effective in driving ACEs, no matter which single channel a firm is implementing. We find that relative to a multichannel distribution strategy, a single channel strategy becomes even less effective when communication between firm and customer is initiated by the customer such as via paid search and organic search. This result suggests that per-
haps for an engaged customer who willingly initiates con-
versation with a firm, the firm should not limit the cus-
tomer’s options to interact with the firm, and instead should
offer a multichannel shopping experience. The difference in
ACEs for single vs. multichannel distribution strategies is
not as clear when communication is initiated by the firm
such as via email, direct mail and advertising.

Next, instead of aggregating individual communication
strategies as firm or customer initiated, we examine separate
interaction effects with each individual communication
strategy to the extent data is available. Results reveal that the
inclusion of paid search (a primary customer-initiated com-
munication strategy) may further amplify the adverse asso-
ciation between firms’ channel strategy (single vs. multi-
channel) and their ACEs, ceteris paribus. Firm-initiated
communication strategies, including email and direct email,
also significantly moderate the association between firms’
channel strategy and the ACEs. Different from paid search,
these interactions are asymmetric between offline and online
channels. For email, it only has a significant interaction
effect with online channels (vs. multichannel) on ACEs,
which is negative. Although it indicates that an implementa-
tion of email-based communication campaign could be
harmful too (especially for single-online firms), the magni-
tude of that detrimental effect is more than 100% less than
that of paid search. For direct mail, on the contrary, it only
has a significant positive interaction effect with offline chan-
nel (vs. multichannel) on ACEs. This result indicates that
direct mail communication strategy could be helpful to off-
set the inferiority of single offline distribution strategy.

Key Contributions
The contributions we made in this study include: (1) This
study examines the effectiveness of multichannel distribu-
tion strategy by comprehensively considering factors affect-
ing average channel elasticity; (2) Our study identifies con-
ditions under which the distribution strategy can be more or
less effective; (3) We respond to the increasing emphasis on
the marketing mix orchestration by examining synergies
between marketing mix elements. Notably, our finding sug-
gests that marketing communication plays the most crucial
role in maximizing the effectiveness of the distribution
strategy.

References are available on request.
The Spillover Effect of Product Recalls on Rival Firms’ Abnormal Returns: Evidence from the Automobile Industry

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Keywords: product recall, spillover effect, abnormal returns, nonrecalling firms

Description: The current research examines factors influencing the effect of product recalls on rival’s abnormal returns.

EXTENDED ABSTRACT

Research Question
In the last two decades, scholars have found that product recalls can not only hurt the recalling firm’s short-term abnormal returns (Chen, Ganesan, and Liu 2009; Gao et al. 2015), but also damages its long-term abnormal returns (Liu, Shankar, and Yun 2017). Recently, more interest has been focused on the spillover effect of product recalls on the nonrecalling firm, that is, competitors (Cleeren, van Heerde, and Dekimpe 2013; Borah and Tellis 2016; Trump and Newman 2017). The research questions is “what factors affect the spillover effect?”

Method and Data
To test the hypotheses, this study employed event study methodology and collected data about product recalls from six major automakers: Toyota, Honda, Nissan, General Motors, Ford, and Chrysler.

Summary of Findings
Drawing on assimilation-contrast theory and analyzing data from the U.S. automobile industry, we find that the recalling firm’s brand reliability negatively affects the nonrecalling firm’s abnormal returns. More interestingly, we find that the nonrecalling firm with low brand reliability benefits more from product recalls than that with high brand reliability. Moreover, this study finds that when a firm recalls its new products, the recall harms the nonrecalling firm’s abnormal returns (negative spillover effect).

Key Contributions
First, while the literature has investigated the spillover effect of product recalls on the nonrecalling firm’s product quality perception (Magnusson et al. 2014) and sales (Borah and Tellis 2016; Cleeren, van Heerde, and Dekimpe 2013; Zhao, Zhao, and Helsen 2011). To the best of our knowledge, we are the first to investigate how the event of product recalls affects a nonrecalling firm’s abnormal returns. Second, this study advances the literature on product recalls by investigating factors influencing the nonrecalling firm’s abnormal returns. The existing literature shows that the nonrecalling firm’s sales can be affected by advertising in the product category (Cleeren, van Heerde, and Dekimpe 2013; Balachander and Ghose 2003), country of origin (Maher and Singhapakdi 2017; Magnusson et al. 2014), and contreteness of the information of the nonrecalling firm (Trump and Newman 2017). Since investors are one of the important stakeholders to a firm, managers of nonrecalling firms must be interested in the factors affecting their shareholder value when a product recall occurs in the industry.

References are available on request

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The Value of Two-Sided Platform Innovations

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Keywords: Two-sided platform innovations, same-side, cross-side, producer-to-producer (P-P), consumer-to-consumer (C-C), producer-to-consumer (P-C)

Description: This paper explores how modern two-sided platform companies innovate to sustain their performance.

EXTENDED ABSTRACT

Research Question

Two-sided platform firms have become the most profitable drivers for economic growth. However, they might be defunct if they were unable to resolve two fundamental challenges: one is to manage users and the other is to enhance the interactions among users. Drawing on two-sided network theory, this study addresses two major research questions: (1) how do two-sided platforms innovate and what are the performance implications of these innovations? (2) How do effects of these innovations vary according to the attributes (including asymmetry, growth, and uncertainty) of network effects.

Method and Data

To cover all possible forms of a platform’s innovation activities, we use the event study method (Golder 2000; Sorescu et al. 2017), which relies on the assumption that a firm’s stock price changing at a certain point in time fully reflects all available information about that firm up to that point (Fama 1998). By analyzing these returns against the characteristics of the innovations and the firm’s attributes, we assess expected stock market performance to a type of two-sided platform innovation as well as how their performance implications change under different moderators. Our data sources are from Crunchbase and LexisNexis database. Manual coding is applied in the classification of innovations. Econometric models are applied in estimation.

Summary of Findings

Our study reveals that same-side innovations (P-P or C-C) cannot directly translate into platform performance, while cross-side innovations (P-C) are always beneficial. Whereas same-side producer-to-producer (P-P) innovations become positive contributors to platform performance in consumer-monetized platforms, same-side consumer-to-consumer (C-C) innovations can only do so in producer-monetized platforms. In addition, when a platform grows rapidly (slowly), cross-side (same-side) innovations strengthen platform performance. In a platform that is subject to higher (lower) user acquisition and retention costs, only same-side (cross-side) innovations can enhance platform performance.

Key Contribution

Theoretical contributions. Extant innovation literature acknowledges the importance of platform innovation, yet leaving the question of how a platform innovates unexplored. This study explores this question by identifying that same-side (P-P and C-C) innovations help acquire and retain produces or consumers in a platform, while cross-side (P-C) innovations are designed to increase the core interaction value. Moreover, we reveal differential performance implications of these innovations. Our findings suggest that cross-side innovations enhance platform performance, while same-side innovations cannot directly do so. Further, this study shed light on when cross-side and same-side innovations are more beneficial to a two-sided platform basing on the attributes of its network effects: asymmetry, growth, and uncertainty, connecting innovation with the platform’s nature of network effects.

Managerial contributions. We offer insights to platform owners and managers by revealing how innovations contribute to the success of a two-sided platform. Based on our

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findings, platform owners should change their thinking in platform innovations: two-sided platform innovation activities should be tailored to user management and the enhancement of the core interaction, as indicated by same-side and cross-side innovations; otherwise, a platform may be defunct. To reap benefits from these innovations, platform managers should modify their behaviors by implementing a specific type of platform innovations according to the attributes of network effects that are uniquely attached to their platforms.

References are available on request.
Implementing the Marketing Concept Through Customer Value-Oriented Functional Resource Investments

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Keywords: marketing concept, customer value-oriented, functional resource investments

Description: We build on existing market orientation (MO) research by examining MO through the lens of customer value-oriented functional resource investments.

EXTENDED ABSTRACT

Research Question
The overarching question that underpins this study is: To what extent is it important that firms identify and allocate resources to those parts of the business that are most instrumental in creating customer value?

Method and Data
A conceptual framework is developed. This examines the nature of the relationship between customer value-oriented functional resource investments and company performance.

In order to test this framework, survey data were collected from senior managers in 241 large organizations, operating in multiple industries and throughout the United States.

Summary of Findings
We present the findings on the interrelationships between customer value-oriented functional resource investments and company performance.

Key Contributions
The key theoretical contribution of this investigation is how it builds on existing MO research by examining MO through the lens of customer value-oriented functional resource investments—the degree to which managers invest resources towards the departments of their companies that they perceive to create value for their customers. For practitioners, the study contributes to the body of research that identifies performance-driving ways that managers can implement the marketing concept.

References are available on request.

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Services Marketing

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What Drives Professional Service Employees to Undertake Pro Bono?

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Keywords: pro bono service, professional service firms, giving, professionals

Description: Using a mixed-method research design, this research examined personal and business motivators to explain professional service providers' propensity to continue pro bono service.

EXTENDED ABSTRACT

Research Question
Although ample scholarly work pays attention to personal gift giving (Marcoux, 2009), volunteerism (Farmer and Fedor, 2001), donations (Boenigk and Helmig, 2013; Ye et al., 2015), altruism and philanthropic behavior (Brady et al., 2002), research knows relatively little about pro bono giving by professional service providers. Except some industry studies that examine the factors that either encourage undertaking pro bono work (e.g., Ross and MacFarlane, 2012), no systematic study simultaneously models the factors that encourage and discourage pro bono service. Little is known about how key services-related effects (i.e., emotional value and giver satisfaction) interact with giving factors (i.e., intrinsic motivation, personal recognition, appreciation, and philanthropic disposition) to influence professionals’ intentions to undertake pro bono work. Therefore, this study is to examine (1) the relative impact of a range of personal and organizational factors on service professionals’ continued pro bono work and (2) the extent to which these factors vary across industries.

Method and Data
This study employed a mixed-method research design (drawing on the narratives from 30 in-depth interviews followed by a self-administered survey) to empirically investigate the extent to which various factors both encourage and inhibit professionals’ propensity to continue undertaking pro bono work. Data was collated from a professional marketing research firm using a cross-sectional survey. After screening out professionals who have not done pro bono work in the past five years, we obtained a total of 496 respondents. Our hypothesized model was tested through a structural equation modeling technique in MPlus and multigroup analysis in PLS.

Most constructs were used using the existing scales in the academic literature and industry reports whereas other scales were drawn from our preliminary qualitative interviews. We ruled out the possible biases from common method variance and confounding variables.

Summary of Findings
The present work connects personal and business factors to explain professional service providers’ propensity to continue pro bono service. Specifically, the results of this study first highlight the central role of professionals’ emotional value (feeling good about oneself and happy to have undertaken pro bono work) in driving pro bono. Second, apart from gratitude through receiving personal recognition and expressed appreciation, professionals’ intrinsic motivations (a desire to help the underprivileged and giveback to society) and a philanthropic disposition all contributed to feeling a sense of emotional value for their pro bono. Third, as for business factors, employer expectations and opportunities for new work were significant in explaining professionals’ preparedness to continue pro bono, but time constraints were statistically insignificant. Finally, the results varied across professional service industries, with business
consultants’ intentions to continue pro bono being driven mainly by the prospect of finding new business opportunities, while lawyers and accounting/financial professionals being driven by their satisfaction and overall emotional value felt.

Key Contributions
This study makes several important contributions. First, it empirically tests a conceptual model indicating the factors that encourage and discourage professionals’ pro bono service, which has been overlooked in the literature. Second, this study findings underscore the importance of nonprofits showing appreciations for the service undertaken by professionals. Accordingly, nonprofit organizations must demonstrate genuine gratitude and recognition to these professionals so that they continue to give their services pro bono. Failing to do so puts pro bono work in jeopardy and potentially puts the sustainability of the third sector at risk. Third, this research demonstrates that, in addition to personal factors, business factors, primarily employer encouragement and promotional opportunities, can both negatively and positively influence professionals’ pro bono intentions. This finding lends support to the institutional logics framework (Friedland and Alford, 1991), in which professionals attempt to juggle conflicts between organizational demands and their individual goals and societal logics.

References are available on request.
Predicting Customers’ Further Interest from Customer Values and Intrinsic Cocreation Motivation

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Keywords: value cocreation, intrinsic cocreation motivation, utilitarian value, hedonic value

Description: The purpose of this research is to examine how customer value affects the cocreation motivation and customers’ further interest.

EXTENDED ABSTRACT

Research Question
Companies create many initiatives to strengthen ties between its enthusiasts through collaboration extending to activities such as events, public exhibitions, and review of new products. However, even among firms with millions of customers, only a relatively small number of customers are willing to be cocreators (Etgar, 2008; O’Hern and Rindfleisch, 2009; Vernette and Hamdi-Kidar, 2013). Füller (2010) explored what consumers expect from virtual cocreation and how consumers’ motivations and personalities influence those expectations. Vernette and Hamdi-Kidar (2013) also demonstrated that consumer personality might affect motivation and apply this effect to the cocreate situation. However, the role of customer value for the cocreation motivation and their further interest is under-researched. Gutman’s (1982) means-end chains, which suggested that value are desirable end-states of existence, plays a dominant role in guiding choice patterns. It interferes with consumer behavioral preferences, and then measures the final choice. Customer value is important to the firm that engages in a relationship (short- or long-term) with customers (Vargo and Lusch 2004). This study addresses this research question: What are the driving factors for some consumers to be more willing and able to engage in the cocreation process? Based on the literature, six hypotheses were proposed.

Method and Data
To test the hypotheses, we distributed an online survey in different virtual communities and forums related to cocreation activities. We adopted items of measuring hedonic and utilitarian value from Kim and Han (2011). We used Füller’s (2010) five items to measure intrinsic cocreation motivation. The lead users’ characteristic is among the consumer characteristics segment in our study. There were five items adopted from Hoffman et al. (2010). The scale of task complexity was adopted from Murthy et al. (2008). In addition, we used semantic differential scale to measure this variable. There were two items, adopted from Füller et al. (2011), measuring further interest.

There were filtering questions in the survey. First, we confirmed whether participants had experienced any types of cocreation activities (e.g. ideation, design, support, and marketing). We provided participants with some examples and asked them to recall their previous value cocreation experiences. If they had cocreation experiences before, they could continue answering the questionnaire. A total of 274 completed survey was analyzed. Descriptive statistical analysis, reliability and validity tests, and regression analysis were conducted.

Summary of Findings
The finding provides the evidence that both customer values, hedonic and utilitarian values, have positive effects to participants’ further interest. To sum up, intrinsic cocreation motivation mediates the positive relationship between hedonic value and further interest as well as utilitarian value and...
This study suggests that lead users weaken the positive relationship between the hedonic value and the intrinsic cocreation motivation. Additionally, task complexity strengthens the positive relationship between utilitarian value and intrinsic cocreation motivation.

Customer values not only affect further interest (i.e. the cocreation consequence) directly but also lead to different degree of cocreation motivations, according to the means-end chains, thereby affecting the further interest. In addition, there is an interaction effect on customer value and consumer personality, and it is thereby affecting the cocreation motivations and the entire cocreation experience.

**Key Contributions**

This study has two major contributions. First, we reduce the research gap by examining the role of customer values with other factors in the customer cocreation process. In the part of direct effect and mediating effect, the hedonic and utilitarian value not only have an effect on cocreation motivation but also have an effect on the consequences of cocreation process. Second, this study tested the interaction effect between customer value and intrinsic cocreation motivation. Hedonic value and lead user has interaction effect; utilitarian value and task complexity has interaction effect.

Our findings have several practical implications for cocreation. To begin, it helps marketers understand how customer value influences cocreation motivation and further interest, which are important to understand when developing the increasing customer engagement. Due to the changes in the market environment, more firms prefer to cocreate value with their customers. Cocreation emphasizes a two-way interaction between the customer and the firm. However, it is challenging and sometimes limited for firms to understand customer value. Managers should realize the importance of hedonic value to fulfill the needs of customers in the cocreation. Thereby strengthening the cocreation motivation and generating a better cocreation experience with the customer.

*References are available on request.*
Counterfactual Thinking Following a Double Deviation and Its Impact on Customer’s Satisfaction

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Keywords: double deviation, counterfactual thinking, customer satisfaction, compensation, blame attribution

Description: The study develops an understanding of counterfactual thinking following a double deviation.

EXTENDED ABSTRACT

Research Questions
1. Will customers have a stronger counterfactual thinking after experiencing a double deviation vs. a single deviation?
2. Is counterfactual thinking the underlying mechanism that transmits the negative impact of double deviation on satisfaction?
3. How do customer’s perception (i.e., blame attribution) and firm’s action (i.e., providing different types of compensation) moderate the impact of counterfactual thinking on customer’s satisfaction?

Method and Data
We test our hypotheses in a series of three studies. In study 1, we conduct textual analysis (LIWC 2015) on TripAdvisor reviews of 1-star rated restaurants in London to identify salience of counterfactual thinking in these reviews following a double deviation. Study 2 is a scenario-based experiment (hotel failure context). We asked 108 UK students to participate in the study to assess the mediating role of counterfactual thinking on the relationship between double deviation and satisfaction. In Study 3, we conduct another scenario-based experiment (restaurant context) with 412 UK University students to examine two sets of moderators (blame attribution and compensation types) that impact the counterfactual thinking-satisfaction relationship. We use regression analyses (linear and PROCESS, Hayes 2013) to test direct, mediation and moderation effects.

Summary of Findings
The three studies provide evidence that customers engage more in counterfactual thinking after a double (vs. single) deviation, and counterfactual thinking mediates double deviation-satisfaction relationship. The impact of counterfactual thinking on customer’s satisfaction is stronger when customers blame the firm for what happens. Offering immediate compensation with a lower discount rate (vs. forward compensation with a higher discount rate) would be effective in restoring customers’ satisfaction following counterfactual thinking.

Key Contributions
We contribute to counterfactual thinking research by demonstrating its underlying mediation effect in the double-deviation-satisfaction relationship. The study also contributes to recovery literature, highlighting the role of customer’s perception of the failure (i.e., they attribute the blame to the firm versus themselves or things outside of firm’s control) and compensation (i.e., immediate vs. forward) in affecting the counterfactual thinking—satisfaction relationship.

References are available on request.
The Troublesome Transformation from Product to Service Selling in B2B Contexts: Which Salesperson Behaviors Are Effective in Industrial Service Selling?

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Keywords: servitized offerings, solution selling, customer uncertainty, salesperson profile, personal selling

Description: The core goal of this paper is to empirically investigate which specific salesperson behaviors (in the domains of cooperation, argumentation, and negotiation) are most effective in industrial service selling using two studies and data from salespeople, customers and archival records.

EXTENDED ABSTRACT

Research Question
In order to differentiate from competitors, many manufacturers combine goods and services into servitized offerings, thereby making them more complex and generating superior customer value (Neely 2008). Great part of the existing research agrees in that the salesforce plays a crucial role in the success of these servitized offerings in B2B contexts (Tuli, Kohli, and Bharadwaj 2007; Ulaga and Reinartz 2011). However, only few qualitative studies have investigated specific salesperson behaviors necessary to effectively sell servitized offerings (Ulaga and Kohli 2018), and scholars have not yet examined this question quantitatively with field data. To add to this stream of research, our core goal is to empirically investigate which salesperson behaviors are most effective to increase salesperson profit at high levels of service share as compared to low levels of service share.

Method and Data
Drawing on information economic and signaling theories, we suggest that, with increasing service shares within servitized offerings, customer uncertainty rises, and thus salespeople need to engage in behaviors which reduce customer uncertainty when selling servitized offering (Darby and Karni 1973; Boulding and Kirmani 1993). Based on the sales process in industrial service selling, we determine six salesperson behaviors which affect salesperson success with servitized offerings by either reducing or enhancing customer uncertainty. These are salesperson problem-solving and dominant cooperation behaviors, prevention- and promotion-focused argumentation as well as autonomous pricing and product price defense behaviors. We test our conceptual framework through two studies with data from different sources. The aim of our first study is to test the effects of the six salesperson behaviors on salesperson profit at different service shares within servitized offerings. In this study, we analyze data from 220 salesperson surveys as well as objective company records of an internationally operating construction supplier. In our second study, we draw on cross-industry data from a survey with 193 industrial purchasers and test our assumption that the six salesperson behaviors affect salesperson success with servitized offerings by either reducing or enhancing customer uncertainty.
Summary of Findings
Analyzing the dataset of the supplier firm, we find that especially salesperson problem-solving, prevention-focused argumentation as well as autonomous pricing behaviors have a beneficial influence on salesperson profit when selling offerings with high service shares. Contrary to this, for salespeople’s promotion-focused argumentation and product price defense behavior, we detect harmful effects on salesperson profit when selling offerings with high service shares.

Examining the dataset of industrial customers, we confirm that the psychological mechanism underlying these effects is actually related to the uncertainty-reducing ability of the investigated behaviors.

Key Contributions
Our research contributes to the existing marketing and sales research on the implementation of servitization strategies at the sales force level. In particular, we detail what specific behaviors are substantial for salespeople to successfully sell servitized offerings. Unlike previous research, by considering not only value communication, but also value claiming behaviors of salespeople, we show that salespeople’s profit with servitized offerings does not only depend on the ability of a firm to create and communicate value for customers, but also on claiming corresponding value from them.

For salespeople and sales managers, our study provides straightforward, actionable managerial implications. We develop a detailed salesperson profile of behaviors required to successfully sell servitized offerings. More precisely, we determine that salespeople in selling servitized offerings should (a) be problem-solvers, (b) use a prevention-focused argumentation, and (c) take pricing decisions autonomously. In contrast, they should not (d) use a promotion-focused argumentation, nor (e) grant price discounts only for service components, but rather defend the bundle price as a whole.

References are available on request.
Research Question
Drip Pricing (DP) is a specific price-partitioning tactic in which firms advertise the base price of an offer upfront whereas additional charges sequentially “drip” in. Even though these tactics are increasingly popular in many services and retailing contexts, they have become a major concern for regulators throughout the world. Particularly in online environments, firms argue that DP serves as means to customize prices. However, among consumers it is also associated with hiding or downplaying the total costs of an offer in contrast to all-inclusive pricing. These opposed views have kicked off a vital debate on further regulation of drip pricing. Based on dual process theories and mental accounting theory, we argue that these different practices should affect the degree to which customers consciously or unconsciously pay attention to the final price and, as a result, form their service- or price-related evaluations. More specifically, we (1) identify conscious and unconscious effects of the sequential (versus up-front) final price disclosure in the context of DP with a varying number of surcharges, (2) analyze the effects of DP on perceived complexity, perceived price transparency, perceived service quality on price fairness perceptions, and (3) assess the specific role of attention.

Method and Data
We conducted an experimental study requesting every participant to book one hotel and one flight online with the final price either being disclosed up-front or sequentially and with a low or a high number of surcharges. We also manipulated the industry as a within factor. More than 200 undergraduate students of a university of applied sciences in Germany successfully participated in the experiments. In addition to survey measures for our dependent variables, we directly assessed participants’ attention to the final price during the booking process using eye tracking.

Summary of Findings
Our results generally show that the up-front (versus sequential) final price disclosure decreases the consumer’s attention to the final price and the perceived complexity of the price. Moreover, it increases the perceived transparency of a firm’s pricing and, in turn, perceived quality of the service and perceived price fairness. In addition, we find significant positive interactions of the up-front final price disclosure and the number of surcharges. With respect to the role of the unconscious price perception processes, we find partial support for our predictions that the type of price disclosure affects the consumer’s attention to the final price. More specifically, the conditional effect of a final price disclosure on the attention to the final price is significant when the number of surcharges is high but insignificant when the number of surcharges is low. Thus, our results support the notion that an up-front final price disclosure can have a positive impact on price fairness perceptions when DP offers are highly partitioned. Furthermore, consumers tend to over-
weigh objects that they pay attention to, which explains why an increased attention to the final price is detrimental in terms of perceived price fairness.

**Key Contributions**
Our research contributes to our understanding why DP is generally perceived as unfair and a deceptive by customers. More specifically, our research advances our knowledge on customer perceptions of DP strategies using sequentially disclosed surcharges and final prices in several ways. First, we provide evidence for a general notion rooted in the procedural fairness theory: An early price disclosure can allow firms to use more complex and more partitioned DP tactics. Second, we conceptualize the effects of final price disclosure on price fairness drawing on both conscious and unconscious processes. The majority of studies on the behavioral aspects of pricing focuses on conscious and cognitive evaluations. In this respect, our study is one of the few to rely on direct quantitative price perception measures using eye tracking.

*References are available on request.*
Can Anyone Help Me? User-Generated Service and the Moderating Role of Firm Affiliation

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Keywords: user-generated content, services, social media, word of mouth, valence

Description: We study an emerging form of user-generated content, user-generated service, the venues it occurs on, and its importance to firms using econometric techniques on cross-sectional data gathered through Web Scraping firm-affiliated and firm-unaffiliated environments.

EXTENDED ABSTRACT

Research Question
Over the past 15 years, the appeal of utilizing digital media platforms to study consumer interactions online has continued to grow, in large part because of the vast information they provide to firms. Existing research has found that online reviews drive box office revenues, online consumer discussions impact sales, and the mention of brands and firms online serves as a predictor of stock market performance (Chevalier and Mayzlin 2006; Liu 2006; McAlister, Sonnier, and Shively 2012). Consumers can instantly evaluate their purchases on a review site, share a service experience on their blogs, or express excitement about an announcement made by a firm on Twitter.

This research explores how consumers also increasingly use digital platforms to help one another collaboratively, resolving product- and service-related issues by tapping into online consumer networks. We conceptualize this unique form of user-generated content (UGC) as user-generated service (UGS), a phenomenon that appears to a growing degree on online forum environments (Zhao, Laga, and Crespi 2009). Specifically, we examine if firm affiliation to the forum environment hosting the UGS leads to detrimental firm-level outcomes.

Method and Data
The paper utilizes both experimental and secondary data. A two-by-two experiment with 197 participants from an online subject pool was employed to study customer recommendation intentions for the forum and customer evaluations of the product-related knowledge of the forum members. The experiment used a firm affiliation (affiliated or unaffiliated with the forum) by solution efficacy (the provided solution was said to work or not work) approach, with fictitious user-to-user online forum interactions provided to respondents dealing with iPhone issues.

We gathered forum data for four firms from 2011–2017, scraping their firm-affiliated and firm-unaffiliated forums using several programming packages. Firm-unaffiliated forum data was gathered from Reddit.com using Google’s BigQuery service, an enterprise data warehouse allowing users to create SQL queries to download data. We used a website-mirroring software to download every page of user-to-user interactions in HTML format, subsequently using Python programming software to extract relevant HTML tags from each mirrored page. We examined topics (called threads) created by users who asked service-related questions answered by other users who “commented” on the initial “post.” In total, we analyzed 25,000 firm-unaffiliated and 130,000 firm-affiliated threads, including their 685,000 replies. In total, our dataset amounted to over 840,000 user-generated service posts.

Summary of Findings
When the solution provided worked, participants in the experiment rated the product-related knowledge of the forum members more highly and were more likely to recom-
mend the site to others in firm-unaffiliated environments. Econometrically, we find that a more positive user-generated service-related discourse on firm-unaffiliated forums has a negative effect on customer satisfaction, whereas improving mean positive emotion on firm-affiliated forums has a highly positive and significant effect. When anger is expressed on firm-owned forums, it aligns with tremendous negative effects on satisfaction. However, when similar emotions are conveyed on firm-unaffiliated channels, we find a modest increase. While we similarly find that a one-unit increase in the mean percentage of words in posts conveying sadness on firm-unaffiliated forums improves customer satisfaction, we do not find a significant effect on firm-affiliated forums.

On a local level, there is a positive effect of closeness between users on customer satisfaction, an effect more impactful on firm-affiliated forums. However, we find that as global connectedness between users increases on firm affiliated forums, the impact on customer satisfaction is large and negative (−248.2, \(p < .01\)). On firm-affiliated forums, increasing local connectedness contributes to improved customer satisfaction, whereas increasing the overall connectedness of the forum produces detrimental results.

**Key Contributions**

In this research, we study user-to-user service-related interactions in firm-affiliated and firm-unaffiliated forum environments using both experimental and econometric approaches. We make the case that user-generated service is conceptually distinct from more well-studied forms of word of mouth because of the purpose it serves for consumers. Online forums both affiliated and unaffiliated with the product- or service-producing firm provide the venue for these interactions. Our research attempts to address a call for more social media work related to collective behavior in social networks (Lamberton and Stephen 2016). By using online forums as a context, we examine a collective behavior in communities that provide a valuable service to their members and are managed by those very same members.

In summary, our findings suggest that user-generated service is a growing phenomenon of great importance to firms. UGS-related content maps on to firm-level customer satisfaction evaluations, which necessitates careful consideration of how to harness and utilize service-creating platforms effectively. We find that firms must consider their roles in providing a venue for UGS, as consumers interpret firm-affiliated and firm-unaffiliated forums differently, leading to differential downstream consequences.

*References are available on request.*
Deploying Human Capital: Implications for Service Quality and Customer Outcomes

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Keywords: service profit chain, organizational support, frontline employees, service quality

Description: The study investigates the key organizational antecedents of employee job satisfaction and examines the role of customer perceived service quality in mediating the link between employee satisfaction and customer satisfaction.

EXTENDED ABSTRACT

Research Questions
Excellence in service is a key driver for the long-term viability and sustainability of business organizations. Service firms treat service excellence as a ‘strategic weapon’ which can assist in achieving sustainable competitive advantage. Tangible (e.g., financial resources) and intangible (e.g., human capital) resources are needed by service organizations to design and implement their competitive strategy and to take advantage of their strategic opportunities. Our research investigates how certain organizational resources (e.g., human resources) influence service quality and customer-related outcomes which, in turn, can contribute to sustainable competitive advantage and enhanced organizational performance. In this context, frontline employees’ interactions with customers and the mechanisms that contribute to the effective and efficient delivery of services are crucially important. We develop and empirically test 10 research hypotheses, as follows: we examine the influence of supervisor support (H1) and organizational support (H2) on perceived role ambiguity. We then investigate the impact of supervisor support (H3), role ambiguity (H4), and organizational support (H5) on job satisfaction. We also examine the impact of employee job satisfaction on customer satisfaction (H6) and service quality (H7), as well as the impact of service quality on customer satisfaction (H8). Finally, we assess the influence of customer satisfaction (H9) and service quality (H10) on customers’ anticipation of favorable future interactions.

Method and Data
We collected data from a large sports retail chain in a European Union country that exclusively represents the products of a major sporting goods multinational firm. This chain operates 53 stores across the country. Following the support of the study at the top management team level, store managers were provided with a questionnaire addressed to the store managers, questionnaires addressed to the store employees (to be filled in anonymously) along with additional questionnaires to be filled in by their customers. We measured study constructs using multiitem scales from the literature, that were appropriately adapted (as necessary) to fit the specific research context at hand. We received fully completed and usable questionnaires from 50 (out of 53) store managers, 157 employees, and 251 customers. This suggests a significant buy-in to the study and its perceived importance to the company. This paper is based on data collected from store employees and store customers. We employed structural equation modeling procedures in order to assess the validity and reliability of our measurement scales (by performing confirmatory factor analysis) and test
our conceptual model and research hypotheses (by estimating a multilevel structural model). For the purposes of this analysis we used the Stata statistical software.

**Summary of Findings**
Our findings indicate that supervisor support contributes significantly towards reducing employees’ role ambiguity. Role ambiguity has a negative impact on job satisfaction. On the other hand, organizational support is a strong driver of job satisfaction. In turn, employee job satisfaction has a positive effect on customers’ perceptions of service quality. We also find that service quality has a strong positive impact on customer satisfaction and customers’ anticipation of positive future interactions. Finally, customer satisfaction is also a significant determinant of customers’ anticipation of positive future interactions. Contrary to expectations, our results indicate that organizational support has no influence on employee role ambiguity. Moreover, supervisor support is not a significant driver of employee job satisfaction. Lastly, employee job satisfaction has no significant influence on customer satisfaction. Notably, a formal mediation test indicates that service quality, as perceived by customers, fully mediates the relationship between employee satisfaction and customer satisfaction. Considering that our measure of service quality includes the responsiveness, assurance, and empathy dimensions, retail firms should pay attention in hiring frontline employees with the relevant knowledge and skills, but who also possess personality characteristics that allow them to inspire confidence in customers, understand customer needs and devote great effort to provide the best solutions, and who are consistently courteous in their interactions with customers.

**Key Contributions**
We contribute to the services literature in three different ways: First, we provide empirical evidence relevant to the implications of frontline employee related aspects to service quality and customer outcomes using multilevel data collected from employees and customers in a retailing service context. Second, our integrated conceptual framework assists in identifying the fit between frontline employees and customers, and enables the organization to achieve enhanced service quality and customer outcomes that contribute to sustainable competitive advantage. Third, our research contributes to our knowledge of the resource-based view of the firm by investigating how certain organizational resources (e.g., human resources) affect the service quality and customer-related outcomes, which in turn facilitate enhanced organizational performance.

*References are available on request.*
When Technology Hurts: Unexpected Evidences from a Multimethod Analysis in High-Touch Services

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Keywords: technology downsides, high-touch service settings, multimethod analysis, field experiment

Description: The present research investigates the effect of technology infusion in high-touch service setting through a set of field experiments, surveys and observation in a high-end fashion store: our results show that in high touch service settings technology infusion could have an unexpected negative effect on customer experience and consequently on customer expense.

EXTENDED ABSTRACT

Research Question
In the last decades, many new technological tools have changed the way in which several services are delivered, affecting how customers interact with them (Bitner et al. 2000). Service marketing literature refers to this phenomenon as technology infusion, i.e., the incorporation by organizations of technological elements into the service (Bitner et al. 2000; van Doorn et al 2017). Previous literature found a positive effect of technology infusion for customers and, consequently on firms (e.g., Meuter et al. 2000, Selnes and Hansen 2001; Reinders et al. 2008). Despite this insightful evidence, we found two possible gaps in the previous literature: (1) large part of studies focuses on the so-called “self-service technologies” in which the service setting only includes the customer interacting with the technology, mostly disregarding the so-called “high touch” service settings, in which customers-employees interaction is essential; (2) the majority of the studies on the topic regards the effects on service quality, overlooking the holistic nature of customer experience that involves different customers’ responses to the retailer (Lemon and Verhoef 2016; Schmitt 2011). The present research aims to fill these gaps investigating the extent to which technology infusion impacts on customer experience and, consequently, on firm performance.

Method and Data
We employed a multimethod approach including three field experiments, two surveys and one in situ observation. To implement our field experiments, we secured the collaboration of a tech firm that provides digital screens to retailers, and a chain of high-end fashion stores located in Italy. Securing such type of collaboration is important to ensure high levels of efficiency and control in the implementation of field experiments (Glennerster 2017). The apparel company has 19 flagship stores, some of which offer a novel technology service that is the focus of our experimentation. The scope of this technology-based service is improving the customers shopping experience and, consequently, increasing customer expense.

Summary of Findings
In study 1 we tested the effect of technology infusion on customer expense and found that technology-based services have a negative impact on customer expense. In study 2, we tested customer experience as a mechanism explaining the negative effect found in study 1. The results show that technology infusion negatively impact customer experience and, consequently, this reduces customer expense. The level of customer rapport emphasizes the negative effect of technology infusion on customer experience. Based on results of study 2, we conducted a third study in order to explore more what could have happened in absence of technology infusion in terms of interaction between customers and frontline employees. Results show that in absence of technology infusion, customers interact more with employees because while they are waiting for their orders ask for advice to the frontline employees that are in the service corner.
**Key Contributions**

Our research contributes to both service marketing and customer experience literatures. We extend service marketing literature on technology infusion providing one of the first empirical tests of the causal effect of technology infusion on an observed behavioral outcome (i.e., customer expense) in a real-word setting characterized by high levels of customer interaction.

We also contribute to customer experience literature. Verhoef et al. (2009) highlighted the need for more research on the effect of technology-based services on experience. Our research contributes to fill this gap, by showing the central role of the carryover mechanism played by customer experience in explaining the somewhat unexpected negative effect of technology-based services in high-touch settings.

Furthermore, our research has an important implication for managers. Companies that operate in high touch contexts should be aware, before investing in technological solutions, that technology may act as a barrier for customers-employees interaction resulting in poor customer experience and lower levels of purchase.

*References are available on request.*
Artificial Intelligence, Flow Experience, and Users’ Attitudes and Behavior

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Keywords: artificial intelligence, flow, personality, satisfaction, brand trust, brand loyalty

EXTENDED ABSTRACT

Research Question
RQ1: How does artificial intelligence personality shape flow experience, and, subsequently, influence users’ attitudes and behaviors including user satisfaction, users’ willingness to use artificial intelligence, brand trust, and brand loyalty?

RQ2: How does users’ trust to artificial intelligence and two-way communication with artificial intelligence moderate the relationship between artificial intelligence personality and flow experience, and what are the consequences of the moderation on the outcome variables including user satisfaction, users’ willingness to use artificial intelligence, brand trust, and brand loyalty?

Method and Data
The study was conducted in a laboratory environment located at a large, Southwestern university in the US. It utilized a quasi-lab experiment (Kerlinger and Lee 2000) in which participants were randomly assigned to one of two treatments.

Two artificial intelligence chat bots with different personalities were considered. Participants in the experimental group were exposed to the Google Assistant mobile application, and the other group were exposed to Amazon’s Alexa mobile application.

Summary of Findings
Results indicated that artificial intelligence personality significantly influences flow experience and thereby mediates their attitudes and behavioral intention, including user satisfaction, users’ willingness to use artificial intelligence, brand trust, and brand loyalty. Additionally, users’ trust in artificial intelligence moderates the effect of an artificial intelligence personality on flow experience.

Further, results indicate that users trust to artificial intelligence and two-way communication with artificial intelligence are found to significantly increase the model size effect.

Key Contributions
This study conducted an experiment to demonstrate the effect of artificial intelligence personality on users’ attitudes and behaviors through the mediation effect of flow experience. Further, this study shows that artificial intelligence personality significantly influences flow experience. The more pleasant artificial intelligence personality is, the more users are immersed in flow experience. In turn, flow experience (FE) influences users’ attitudes and behavior and, thus, it fully mediates the effect of artificial intelligence personality on user satisfaction, users’ willingness to use artificial intelligence, brand trust, and brand loyalty.

Artificial intelligence technology is advancing dramatically. These days we see a variety of artificial intelligence technology in the form of mobile applications and devices in consumers’ homes. Applying flow theory to an examination of this phenomenon, this study describes the importance of artificial intelligence personality (AIP) on driving flow experience and the resulting effects on consumers’ attitudes and behavioral intention. This study shows that artificial intelligence personality significantly influences flow experience. The more pleasant AIP is, the more users are immersed.
in flow experience. In turn, flow experience (FE) influences users' attitudes and behavior (user satisfaction, users' willingness to use artificial intelligence, brand trust, and brand loyalty), and, thus, it fully mediates the effect of artificial intelligence personality on a user's attitudes and behavior. Two moderators (user trust and user two-way communication) of the main relationship (AIP and FE) are found to significantly increase the model size effect.

References are available on request.
Robots in Frontline Services: The Influence of Human-Likeness, Competence and Warmth on Service Value and Loyalty Intentions

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ABSTRACT
The introduction of frontline robots is an innovation that may affect customer choices and change the services industry. However, despite increasing interest, recent works in this emerging field are mainly theoretical. To further advance this topic, this work tries to empirically evaluate customer’s perceptions of and reactions toward frontline service robots. Like other technological innovations, frontline robots should enhance the service value and the customer-provider relationship. Unlike other technological innovations, robots are perceived as social actors by customers and the adoption process is therefore likely to feature other factors. This work analyzes to what extent perceived physical human-likeness of the robot and social cognition cues—i.e., perceived competence and perceived warmth of the robot—affect customers’ perceptions of service value and their loyalty intentions towards the service provider. The moderating role of customers’ need for social interaction is also evaluated. Results of an experimental design confirmed most of the aforementioned relationships. Need for social interaction moderates the effect of robots’ warmth, but contrary to our expectations warmth is more valued among consumers with lower need for social (i.e., human) interaction.

Keywords: robots, frontline services, human-likeness, warmth, competence, need for social interaction

Introduction
Similar to previous technology-based revolutions (e.g. industrial, digital), the implementation of robot automation is expected to shake up service production and customer-firm relationships (International Labour Organization 2016, 2017). The automation trend that has transformed manufacture, is also changing retailing and services. For example, Amazon is planning new delivery options (Roggeveen and Sethuraman, 2018; Grewal et al., 2017) and Uber’s and Nissan’s unmanned taxi services are expected to be ready in a couple of years (Browne, 2018). Robots already recently started to interact directly and physically with customers in frontline services. For instance, LoweBot guides customers through the Lowe’s store and responds to their questions (Rafaeli et al., 2017), the Nao robot collaborates with bank tellers in some branches of the Bank of Tokyo (Marinova et al., 2017), some tech-savvy hotels feature robots performing hotel tasks such as check-in and room service (Tussyadiah and Park, 2018), whereas hospitals are using robots to transport medical instruments (Ljungblad et al, 2012). Scholars and practitioners predict that by 2025 the major advance in organizational frontlines will be the incorporation of humanoid robots with analytical, intuitive and empathetic skills, who engage customers on a social level (Huang and Rust 2018; van Doorn et al. 2017).

Although using robots for product shipping or transportation has clear and proven benefits, the result of robots
replacing human interactions in services is less clear. Technology in frontline operations should enhance (or at least not harm) the service value and the customer-provider relational ties (Ganesan et al. 2009; Nijssen et al., 2016). Can robots do that? Research findings on consumer interaction with in-store self-service technology (SST) or e-commerce are unlikely to generalize to customer-robot interaction (Colby and Parasuraman, 2016; van Doorn et al., 2017) because robots (1) operate autonomously with little instruction by customers, (2) usually have a physical appearance and perform physical tasks, (3) require more intelligent or sophisticated interactive skills, (4) often replace an equivalent human job and (5) are perceived as having “social presence.” With these features, robots are emulating human behavior; customers are thus likely to compare robots to human service providers rather than to technological service interfaces. Therefore, the level of robot “humanness” perceived by the customer seems to be the critical issue in the study of frontline robots in retailing and services as a differential phenomenon in frontline technologies.

Physical appearance, as the main observable cue in human or automated presence, is an essential element of social categorization in both human-human (Fiske et al., 2002; Park et al, 2003) and human-robot interaction literatures (Walters et al., 2008; Kim et al., 2013). Beyond physical appearance, previous literature has identified warmth and competence as the two core universal dimensions in social cognition (Fiske et al., 2007; Cuddy et al., 2011). From an evolutionary perspective, identifying the other as a friend or a foe with good or bad intentions (warmth), and assessing others’ abilities to enact those intentions (competence) are fundamental survival strategies (Fiske et al., 2007). Warmth and competence also shape customers’ perceptions about frontline employees with direct implications for customer-provider relationships (Sirdeshmukh et al., 2002; Habel et al., 2017).

In sum, this research focuses on how robots in frontline services affect customers’ perceptions of service value and their loyalty intentions towards the service provider. First, we posit that customers evaluate frontline robots as new social actors that need to comply to norms of social categorization. More precisely, we analyze to what extent physical human-likeness (i.e., anthropomorphic appearance) and social cognition cues (i.e., perceptions of robot’s competence or warmth) affect customers’ perceptions and intentions. Second, since many customers today still find personal contact in services very important (cf., De Keyser, Schepers, and Konus 2015), we consider that customers’ need for social interaction with frontline personnel could alter the aforementioned relationships.

Research Hypotheses

Introducing robots in frontline services is a challenging issue because they are part of the social environment affecting customer experience and need to socially engage customers (van Doorn et al., 2017; Verhoeft et al., 2009). Therefore, frontline robots make customers feel that they are in the company of another social entity (Heerink et al., 2010). Like in human-human interaction, social perceptions of robots depend largely on appearance (Walters et al., 2008). Previous literature places robots on an anthropomorphic appearance scale which varies from mechanical-looking to human-like appearance, and commonly proposes that people’s acceptance of robots increases as a consequence of robot human-likeness (Walters et al., 2008). Higher levels of human appearance amplify emotional attachment, induce positive perceptions and attitudes, and increases one’s preference for robots (Tussyadiah and Park, 2018). This positive effect may be due the fact that a technological object’s human appearance and movements increase people’s accessibility of human schema (e.g., Aggarwal and McGill, 2007). Indeed, anthropomorphism has been already found to be the most relevant factor for robot acceptance by consumers in hotel tasks (Tussyadiah and Park, 2018). In this sense, human-likeness is analogous to physical attractiveness and appearance in humans, which is an essential factor to favorable perceptions in social relationships (Eagly et al., 1991). Seminal works in services marketing conclude that employees’ appropriate physical appearance benefits customers’ perceptions of service quality (Grönroos, 1984), firms’ capabilities (Bitner, 1990), consistency in firm’s service processes (e.g., clothing, Rafaeli, 1993), and encounter satisfaction (Mayer et al., 2003). Our first hypothesis therefore proposes that:

H1: Customers’ perception of frontline robots’ human-likeness positively influences (a) service value and (b) loyalty intentions towards the service provider.

Apart from physical appearance, research concludes that perceived warmth and competence account for almost 80% of people’s descriptions of a person in a first impression (Cuddy et al., 2011; Fiske et al. 2007). Warmth and competence also govern social judgments in a frontline context (Cuddy et al. 2011). For instance, Sirdeshmukh et al. (2002) describe how frontline employees’ behavioral cues of competence and benevolence favors customer’s trust, service value and loyalty to the firm in relational exchanges. Similarly, personnel courtesy and service performance determine service value (Bolton and Drew, 1991). Recently, Habel et al. (2017) also reports that perceptions of service employee’s warmth and competence are the immediate antecedents of customer loyalty and also have a positive impact on the reve-
nue generated by each customer (Habel et al., 2017). Van Doorn et al. (2017) suggest that, in the most advanced level of technology infusion in frontline operations, robots’ warmth and competence are essential to determine service and customer outcomes such as satisfaction, loyalty or repatronage. Consequently, we propose that:

H2: Customers’ perception of frontline robots’ competence positively influences (a) service value and (b) loyalty intentions.

H3: Customers’ perception of frontline robots’ warmth positively influences (a) service value and (b) loyalty intentions.

For some customers, contact with a retail employee is very important, whereas for others it is not (Bittner et al., 1997). Need for social interaction is defined as “the importance of human interaction to the customer in service encounters” (Dabholkar and Bagozzi, 2002 p. 188), and varies greatly among consumers (Dabholkar, 1996). Need for social interaction is mostly considered a moderating factor (Dabholkar and Bagozzi, 2002). We posit that human-likeness, and perceptions of competence and warmth are especially important for customers that are in need of social interaction. The service expectations of these customers will be focused on human elements and interaction patterns, such that the human characteristics of frontline robots become more important in these customers’ contrasts between expectations and actual service performance. In contrast, customers that have a lower need for social interactions are likely to be more used to technology-driven service interactions and hence focus more on technical aspects (e.g., availability) (De Keyser, Schepers, and Konus 2015). The level of human-likeness and any other perceptions to human behavior are therefore likely to be deemphasized. Thus, our last hypothesis proposes that:

H4: Customers’ need for social interaction strengthens the relationships between robot human-likeness, competence and warmth perceptions on the one hand and service value and loyalty intentions on the other hand.

**Methodology**

We designed an experiment to test our hypothesized effects. Participants in this study were 526 US customers with balanced demographic characteristics such as gender (53.2% of participants are female) and age (less than 25 years 6.8%, 25–34 years 38.0%, 35–44 years 26.8%, 45–54 years 14.8%, 55 or more 13.5%). Participants were randomly assigned to each of the twelve experimental conditions in a 3 (human-like, anthropomorphic mechanical-like, and nonanthropomorphic mechanical-like) × 2 (high warmth vs. low warmth) × 2 (high competence vs. low competence) experimental design, with 41 to 48 participants per condition. The three conditions of human-likeness were based on the results of a first pretest that served to determine these levels and provide realistic experimental manipulations. To further increase the validity of the research, we introduce a frontline robot named Casey doing waiter tasks (e.g. taking orders, providing meal advice). Note that this name is gender neutral to prevent any unwanted gender-related associations. Previous research has often considered restaurants as a prototypical example of employee-based frontline service (Liao and Chuang, 2004; Kong and Jogaratnam, 2007), and robot waiters are already serving customers in several restaurants around the world (e.g. the Robot Restaurant in the Chinese city of Kunshan employs 15 robots to greet customers as they arrive, take orders, cook and serve meals). A pretest with 156 participants was performed to ensure the correct description of each condition and to evaluate each scenario’s realism. Results indicated that participants perceived the scenarios as realistic and believable.

First, all participants were invited to read a general description of the scenario. This description included the picture of one prototypical example of a robot belonging to high, medium, or low human-likeness groups as indicated by 91 persons in a first pretest (i.e., very human-like robots [Geminioid DK], medium or mechanical-like anthropomorphic robots [HRP-4], and low anthropomorphic robots [Savioke]). Warmth and competence were manipulated by written scenario descriptions following Cuddy et al. (2007) and Funk (1996), and included statements such as “Robot mistakes occur too frequently, such as forgetting or switching orders.” (low competence scenario), “The robot is friendly and easygoing” (high warmth scenario).

Participants were asked to assess robots in terms of human-likeness, competence and warmth, as well as the service value and their loyalty intentions towards the restaurant. Specifically, human-likeness was measured using a two-item scale (human-like, mechanical-like) borrowed from Rosenthal-von der Püthen and Kramer (2014). Five items borrowed from Cuddy et al. (2004) and Fiske et al. (2002) were used to measure perceived competence (skillful, efficient, intelligent, competent and competitive) and warmth (good-natured, sincere, warm, trustworthy and tolerant). Participants rated each robot with regard to these items on a 7-point scale from 1 “not at all” to 7 “very much.” Four items from Ryu et al. (2012) and Yang and Jolly (2009) served to measure loyalty intentions. These items used 7-point Likert scales (1 = strongly disagree, 7 = strongly agree). Finally, following previous studies (e.g. Yang and Jolly, 2009; Sweeney and Soutar, 2001), service value was measured using four dimensions: functional value, social value, monetary value and emotional value; 19 items adapted from these studies measured these dimensions.
We then proceeded to assess the dimensionality of each scale by conducting a principal components analysis. Only one factor was extracted from each scale, taking into account that factor extraction was based on the existence of eigenvalues higher than 1 and that factorial loadings were higher than .5 points (Hair et al., 1998). In addition, all scales obtained adequate levels of reliability since Cronbach’s alphas were above the threshold of .7 (Cronbach, 1970): human-likeness (Cronbach’s alpha = .741), perceived competence (.878), perceived warmth (.886), loyalty intentions (.956), functional value (.964), social value (.969), monetary value (.931) and emotional value (.943).

The appropriateness of the manipulation regarding perceived competence and warmth was checked by conducting two independent samples t-tests. First, we confirmed that perceived competence was significantly higher in the high-competence condition than in the low-competence one (MHigh-Competence = 5.000, MLow-Competence = 3.481, t = 10.069, p < 0.01). Similarly, we confirmed that perceived warmth was significantly higher in the high-warmth condition than in the low-warmth one (MHigh-Warmth = 4.236, MLow-Warmth = 2.883, t = 10.069, p < 0.01). Finally, we checked whether the three types of robots considered differ on their human-likeness. Human-like robots have the greatest score on human-likeness (MHuman-like = 5.071), followed by medium anthropomorphic robots (MAntropomorphic-mechanical-like = 2.557) and, finally, by low anthropomorphic robots (MNon-anthropomorphic-mechanical-like = 1.881). Differences were significant among the three groups (F = 358.72, p < 0.01).

**Results**

Once measures were validated, a series of linear regressions were conducted to test the direct effects proposed in H1, H2 and H3. Results from these regressions are shown on Table 1. Human-likeness shows a positive significant influence on functional value and social value, but its influence on monetary value, emotional value and loyalty intentions is non-significant. Therefore, while H1a is partially supported, H1b is not. In turn, competence exerts a positive significant effect on all the dimensions of service value and loyalty intentions, which supports H2a and H2b. As expected, warmth also has a positive significant effect on all the dimensions of service value and loyalty intentions. H3a and H3b are therefore supported.

To test the moderating effects of the customer need for social interaction, we used the version 3 of the Process macro for SPSS, following the procedures established by Hayes (2017). A summary of results is shown in Table 1. Taking these results into account, H4 is partially supported. On the one hand, as predicted for customers with higher need for social interaction, the influence of human-likeness is reinforced in all cases, even though the significance of this moderating effect on the relationship between human-likeness and monetary value is marginal. On the other hand, contrary to expected, as the need for social interaction increases, the influence of perceived warmth on emotional value is weakened. This negative moderating effect is also marginally significant on the relationships between warmth and social value, and between warmth and loyalty intentions. The need for social interaction does not moderate the influence of perceived competence.

**Discussion**

Robotics is an emerging field in frontline operations affecting customer choices that are crucial for the future of retailing and services (Grewal et al., 2017; Roggeveen and Sethuraman, 2018). Our work proposes that, beyond the direct benefits of robot implementation in frontline services (e.g., cost saving), physical appearance (i.e. perceived human-likeness) and social cognition variables (i.e. perceived competence and warmth) determine customer’s evaluation of frontline robots.

Our results indicate that human-likeness affects the functional and social value of the service, such that the use of a robot with a higher human-like appearance is perceived to

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**Table 1. Summary of Direct and Moderating Effects: Unstandardized Regression Coefficients, t- and p-values.**

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Functional</th>
<th>Social</th>
<th>Monetary</th>
<th>Emotional</th>
<th>Loyalty Intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>t</td>
<td>p</td>
<td>B</td>
<td>t</td>
</tr>
<tr>
<td>Human-Likeness</td>
<td>.061</td>
<td>.219</td>
<td>.029**</td>
<td>.122</td>
<td>3.402</td>
</tr>
<tr>
<td>Perceived Competence</td>
<td>.732</td>
<td>20.132</td>
<td>.000***</td>
<td>.185</td>
<td>3.876</td>
</tr>
<tr>
<td>Perceived Warmth</td>
<td>.095</td>
<td>2.790</td>
<td>.005***</td>
<td>.353</td>
<td>7.940</td>
</tr>
<tr>
<td>HL x NSI</td>
<td>.084</td>
<td>3.808</td>
<td>.000***</td>
<td>.057</td>
<td>2.721</td>
</tr>
<tr>
<td>PC x NSI</td>
<td>.044</td>
<td>.529</td>
<td>.397</td>
<td>.028</td>
<td>.295</td>
</tr>
<tr>
<td>PW x NSI</td>
<td>-.033</td>
<td>-.399</td>
<td>.690</td>
<td>-.174</td>
<td>1.876</td>
</tr>
</tbody>
</table>

**Note:** HL = Human-Likeness, PW = Perceived Warmth, PC = Perceived Competence, NSI = Need for social interaction. *Significant at p < .1; **Significant at p < .05; ***Significant at p < .01.
deliver more consistent service and enjoys a better social approval. However, human-like appearance does not affect monetary or emotional (experiential) values, nor loyalty intentions. The robot’s warmth and competence perceptions increase functional, social, monetary and emotional values, as well as loyalty intentions. Therefore, the test of our hypotheses reveal that human-likeness appearance (an essential factor in robot-human interaction [e.g. Walters et al., 2008]) seems to be less relevant than other human-like skills usually considered in frontline employee research (e.g., Cuddy et al. 2011; Bufquin et al., 2017), such as customers’ perceptions of competence and warmth. However, while warmth is more strongly related to affective or relational variables (social value, emotional value, loyalty intentions), competence is more related to utilitarian ones (monetary value and functional value).

Considering the moderating role of customers’ need for social interaction we find interesting results. As expected, customers’ need for social interaction increases the influence of human-likeness on functional, social, monetary and emotional values, as well as on loyalty intentions. This finding confirms that robots with a more human appearance are more valued by customers with higher preference for human contact. However, the interaction effect between need for social interaction and competence is not significant for any outcome variable. Remarkably, the interaction effect between need for social interaction and warmth is negative and significant when considering loyalty, social value and emotional value as dependent variables. Thus, contrary to our expectations, the frontline robot’s warmth has a less positive effect for consumers with higher need for human contact than for consumers with a lower need for social contact. This interesting finding suggest that people who avoid interacting with human employees would be delighted with a friendly robot, which improves the perception of social value (i.e., social approval), emotional value (i.e., experiential) and loyalty (i.e., intentions to revisit). However, robot warmth is less beneficial for customers with higher preference for human contact. This result may be explained by Gray and Wegner’s (2012) findings that some people appreciate robots with high anthropomorphism that are good at performing physical tasks (human-likeness and competence, respectively); these same people may feel uneasy when they perceive that robots enact human emotions (warmth). In sum, robots’ warmth does not substitute human friendliness for people with a higher preference for social contact, but it could be an instrument to improve the relationship of the firm with customers who generally refrain from interaction with employees.

Despite these interesting results, this work has some limitations that open some avenues for further research. First, we have considered three groups of robots depending on their differences on perceived human-likeness. However, robots may differ on many other characteristics (e.g. in size, color… [Rosenthal-von der Püthen and Kramer, 2014]) and considering more types of frontline robots may be helpful to deepen our understanding. Second, while customers’ perceptions about robot human-likeness, competence and warmth have been considered to be very important by human-robot interaction research, other traits and behaviors such as psychological ownership, receptiveness, attractiveness, or manipulability may play a role (see Van Doorn et al., 2017 for more details). Finally, we have evaluated robots in one service setting. Future research may consider frontline jobs involving different skills (for example, analytical, intuitive or empathetic skills [Huang and Rust, 2018]) to evaluate whether the relevance of human-likeness, competence and warmth differs across services or not.

References


Feeling Manipulated: How Tip Request Sequence Impacts Customers and Service Providers

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Keywords: tipping, tip sequence, service script, manipulativeness, frontline service, service automation

Description: Findings reveal that requesting a tip before, versus after, completing a service leads to reduced return intentions, diminished word of mouth, lower online ratings, and smaller tips.

EXTENDED ABSTRACT

Businesses are increasingly relying on mobile point-of-sale applications (e.g., Square) and mobile technology (e.g., iPad) to prompt customers for tips in contexts where tips have not historically been expected. These tip requests are occurring more frequently at the start of service transactions, before any service has been provided. Existing research does not indicate how customers and services providers may be affected by these changes. Inconsistent practices amongst service providers indicate that practitioners are unsure how to best integrate new technology into tipped service scripts. Press accounts indicate that some customers enjoy the convenience and ease of generosity provided by point-of-sale tipping. However, other customers report that new tipping formats often guilt them into tipping before they are able to evaluate the quality of service.

Research Questions
In response to calls for research on the changing customer-technology interface, we ask: how does requesting a tip either before or after service completion affect customers and their evaluations of service providers? What consumer processes explain the influence of tip sequence on service provider outcomes? And, how can service providers best implement tipping technology?

Method and Data
We test the effects of pre- versus postservice tip sequence in four scenario-based experiments with participants drawn from two pools of online workers. Our research examines the effects of tip sequence across three different service contexts where automated tip requests are changing service scripts: online delivery, quick-service food and beauty service.

Summary of Findings
Findings reveal that requesting a tip before (versus after) completing a service leads to reduced return intentions, diminished word of mouth, lower online ratings, and smaller tips. Customers’ perceptions of service provider manipulativeness is revealed as the psychological mechanism underlying the harmful effects of requesting a tip before service. Findings suggest that emphasizing the firm’s customer-serving motivations for automation can reduce, but not eliminate, the negative effects of preservice tip requests.

Key Contributions
We demonstrate empirically that the sequence of a tip request matters for firms requesting tips. We uncover perceived manipulativeness as the psychological mechanism underlying the effect of tip sequence on intentions and behaviors towards firms. We show that providing a consumer serving motive moderates the effect of tip sequencing on perceived manipulativeness and service provider outcomes. Contrary to norms among point-of-sale app users, we find that service providers should avoid requesting tips before serving customers. Firms that request tips before service should emphasize the benefits of automated tip requests for customers.

References are available on request.
#followme: Developing and Testing a Life-Cycle Model of Influencer-Follower Relationships

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Linda Alkire (née Nasr), Texas State University

Keywords: influencer marketing, influencer-follower relationship, life-cycle model, social media, trust

Description: This paper presents and tests a life-cycle model of the relationship between social media influencers and their followers.

EXTENDED ABSTRACT

Research Question
Companies’ spending on influencer marketing campaigns is growing exponentially. In 2016, firms invested more than $80 billion on influential social media users (ANA 2018). These users are considered “influential” as they contribute to the formation of attitudes toward products and services of a large number of other social media users. The basic idea underlying this novel marketing communication technique is that influencers build a relationship over time with those who follow their social media pages and, thereby, gain their trust and confidence. However, despite its massive growth and promising advantages, influencer marketing is still a considerably underexplored technique. Prior research has focused on influencer authenticity (Audrezet, Kerviler, and Moulard 2018), likeability (De Veirman, Cauberghe, and Hudders 2017), the credibility of influencer posts (Boerman, Willemsen, and Van Der Aa 2017), and success metrics of influencer campaigns (Gräfe and Greff 2018), while the dynamics of influencer-follower relationships remain unexplored. Thus, the purpose of this research is to generate a better understanding of the development and evolution of influencer-follower relationships over time. Formally stated, this research addresses the following research questions: (1) How do influencer-follower relationships evolve over time? (2) Which stages characterize this development? (3) Which variables change over the relationship life-cycle?

Method and Data
In order to address these research questions, we used a mixed-methods approach: Building on 20 qualitative in-depth interviews and 4 focus group discussions, we first developed a relationship model that comprises different phases of the influencer-follower relationship and identify four categories of variables whose levels are argued to be relationship stage dependent. We then conducted a second study with social media users (N = 291) aiming at testing the proposed relationship model using multivariate analysis of variance.

Summary of Findings
Our results indicate that several properties of the influencer-follower relationship reflecting relevance-related aspects (e.g., interest in the influencer) and follower engagement (e.g., liking and sharing influencer posts), as well as relationship (e.g., commitment and trust) and consumption-related (e.g., purchase intentions) variables display an inverted u-shaped pattern over four consecutive relationship stages; namely, the phases of analysis, affection, attenuation, and alienation.

Key Contributions
By establishing a model that describes the dynamic evolution of influencer-follower relationships and by testing it through a variety of relational variables, we contribute to a better understanding of the development of the relationship between influencers and their followers. From a practical perspective, our findings suggest that not the number of followers per se but the number of followers in the peak stage of the influencer-follower relationship (referred to as affec-
tion phase) should be considered a key figure when planning campaigns. In addition, organizations can monitor the relationship development over time and offer insights to influencers in order to keep them relevant to their followers. Furthermore, our stage classification scheme may help influencers to analyze their follower base and manage their follower portfolio. In order to remain attractive to marketers in the long run, our results suggest that influencers should aim at having an ample number of followers situated in earlier relationship stages; indicating that popular influencers should not rest on a large number of followers and stop acquiring new followers.

*References are available on request.*
Track Me If You Can: A Nuanced Perspective on Consumers’ Value Assessment of Data-Based Insurance Tariffs and Related Data Disclosure Behavior

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Keywords: data-based insurance tariffs, data disclosure, data sensitivity, rewards, innovative services

Description: This research investigates drivers and underlying mechanisms of consumers’ willingness to disclose private data for data-based insurance tariffs.

EXTENDED ABSTRACT

Research Questions
The ongoing digitalization is accompanied by a plethora of new types of consumer data, enabling firms to deliver highly personalized services. Thus, data-based insurances (i.e. tariffs tailored to data collected about consumers’ behavior) gain increasing prevalence (Huang and Rust, 2013). However, these insurances remain challenging for firms, as they ground on consumers’ willingness revealing personal data, while consumers fear an intrusion of privacy (Mothersbaugh et al., 2012). Despite the growing need in understanding the key drivers of consumers’ adoption of these potentially intrusive tariffs (Ostrom et al., 2015), yet, extant literature focusses on data disclosure in e-commerce. However, prior research findings might not necessarily generalize to consumers’ value assessment and adoption of data-based insurances, as their revolutionary nature comes with a new variety of risks associated with data tracking. Thus, providing guidance for effectively employing data-based insurances is required. We propose the following research questions: (1) How does the nature of the data collected alter consumer response to data-based insurance tariffs? (2) How do distinct benefit enhancing and perceived risk reducing factors impact consumers’ value assessment of data-based insurance tariffs? (3) Do different types of insurance contexts alter the effectiveness of distinct drivers of consumers’ value assessment?

Method and Data
Two experimental studies were conducted examining different types of insurance contexts. Study 1 relates to a life insurance context and investigates the interactional effect of data sensitivity and type of reward on risk and benefit evaluations of data-based insurance tariffs. Further, it examines the mediating role of this value assessment on purchase intention. Therefore, we adapted a real-world life insurance as a stimulus that requires health data disclosure via tracking devices. The experiment employed a 2 (data sensitivity: high vs. low) × 2 (reward: financial [e.g. discounts] vs. nonfinancial [e.g. material gifts]) between-subjects design. Participants (N = 240) were recruited via MTurk. Study 2 then expands our investigations to a context, where tracked behavior can be more actively influenced by consumers and the hedonic factor of tracking part in a data-based insurance tariffs is more salient. That is, we examine the interactional effect of data tracking.
sensitivity and provided rewards on value assessments in a car insurance context. In this experiment (N = 450), we applied a continuous (data sensitivity) × 2 (reward: financial/nonfinancial) between-subjects design, with reward as the manipulated moderator and data sensitivity as the measured independent variable. We further followed the general procedure of study 1.

Summary of Findings
We show type of compensation for disclosing data interacts with the sensitivity of tracked data, thus altering cost-benefit assessments and subsequent behavior. Further, this interactional effect is contingent on the insurance context. Study 1 examines this interplay in a life insurance context. Study 1 focuses on a life insurance context, showing under financial rewards, higher levels of data sensitivity increase purchase intentions of data-based insurances. Increased utility perceptions (due to an increased fit to consumers’ needs) are the underlying mechanism, mediating the positive effect of data sensitivity on purchase intention. Contrary, data sensitivity negatively affects purchase intention, if nonfinancial rewards are provided, driven by increased risk perceptions. Whereas study 1 focuses on a life insurance context, study 2 expands this perspective to car insurances. In contrast to health-data, consumers can influence tracked driving behavior (e.g. braking behavior) more actively, hedonic motives are more salient, and the data give a less comprehensive picture of consumers’ lifestyles. Results show the mechanisms identified in study 1 are reversed in this new context. Study 2 demonstrates that higher levels of data sensitivity now increase purchase intentions, if non-financial rewards are provided. Enhanced utility and hedonic value perceptions are the underlying mechanisms. These benefits then outweigh risk perceptions and drive subsequent consumer response.

Key Contributions
Our work contributes to marketing knowledge, and specifically to services research and research on innovative technologies in several ways: We add to research on data disclosure behavior, particularly in an insurance context (e.g., Anderson and Agarwal, 2011; Marketing Science Institute, 2016) by unearthing its underlying mechanisms that drive consumer response to data-based insurance tariffs. Our research reveals insights into how consumers trade off risks versus benefits of providing personal data in this setting and how these value perceptions translate into subsequent purchase intentions. Further, we add to the ongoing discussion on the effectiveness of distinct forms of rewards for data disclosure (Hui, Teo, and Lee, 2007; Xie, Teo, and Wan, 2006) in a service context. We show that benefit and risk perceptions are contingent on the interplay of level of data sensitivity and reward offered (financial vs. nonfinancial) by an insurance company, but also rely on the insurance context. Finally, we add to the ongoing debates on boundaries of highly personalized, data-based services (MSI, 2016) by showing when high levels of data sensitivity may even increase utility and hedonic perceptions and translate into favorable consumer response.

References are available upon request.
Gender Price Differences in Airbnb: Implications for Service Providers of the Sharing Economy

Alex Davidson, Wayne State University

Keywords: pricing, gender, Airbnb, service, sharing economy

Description: This research explores pricing differences between male and female service providers in the context of Airbnb, a leading peer-to-peer platform.

EXTENDED ABSTRACT

Research Question
Do pricing strategies differ between male and female service providers? Within the context of Airbnb, a leading peer-to-peer hospitality service platform in the sharing economy, the current research seeks to determine if male vs. female hosts charge higher prices for their listings. If so, do such gender price differences prevail when controlling for other potential influential variables and can they be explained by differences between male-typical vs. female-typical gender identity characteristics?

Method and Data
To investigate these questions, two studies utilizing a mixed methods approach were conducted. In study 1, listing-related data across various American cities were extracted from the Airbnb platform. To be included in the analyses, each host could only rent one listing and could not be partnered with anybody else (i.e., significant others) in order to isolate the impact of gender on price. Also, listings that were managed by actual businesses (i.e., registered hostels) were omitted as it was not possible to obtain information about the owner’s gender. Nearly ten thousand listings were evaluated and aside from price and gender of the host, variables measuring experience of the host and location desirability were also obtained. In study 2, an online survey was distributed to random Airbnb hosts across the United States. Respondents were asked to indicate the current price of their listing, their gender and to complete a gender identity measurement which assesses various male-typical and female-typical personality characteristics. Additionally, respondents also indicated various descriptions of the listing (i.e., square footage) and demographic characteristics (i.e., income).

Summary of Findings
Analyzing real-world Airbnb listings, study 1 demonstrates that average prices are higher among male vs. female hosts when controlling for various host-related (i.e., experience) and accommodation-related (i.e., location desirability) variables. In study 2, a survey of Airbnb hosts replicates these findings while controlling for other potential influential variables (i.e., income and square footage). A gender identity measurement was calculated by subtracting all male-typical characteristics from those that are female thus providing a single female identity score. Independent of reported gender, female identity was found to be strongly and negatively associated with the price of listings. The findings from both studies indicate that gender has a significant impact on pricing strategies among service providers. It is argued that this difference is not attributable to the size or desirability of the listing nor the income or experience of the host. Instead, personality differences between males and females are argued to account for diverging pricing strategies.

Key Contributions
This current research is the first to explore the impact of gender differences on pricing strategies within the context of Airbnb, a leading peer-to-peer platform that has generated thousands of microentrepreneurs who are free to pursue their own marketing strategies as they see fit. Despite the democratized nature of peer-to-peer marketplaces, gender price differences in Airbnb are found to surface and remain when controlling for differences across listings and across demographic characteristics of hosts. These findings suggest that a more even playing field for service providers may still gen-
erate outcomes that would typically be associated with discriminating practices. As a key contribution to our understanding of the role that gender plays in decision-making for service providers, the current research argues that differences in pricing outcomes may be largely reflective of personality differences between males and females.

References are available on request.
Service Infusion: Does It Always Pay Off?

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Keywords: service infusion, optimal point, purchased product units

Description: This study investigates the association between individual buyers’ purchases and (1) the supplier’s practice of Service Infusion (SI) actions, as well as (2) the intensity of such practices (measured by the number of SI actions put into practice for each specific buyer), and (3) the nature of the services provided.

EXTENDED ABSTRACT

Research Question
This work aims to deepen the knowledge on the association between suppliers’ performance and their adoption of SI practices. More specifically, we investigate the association between the buyer purchases and (1) the practice of SI by the supplier, as well as (2) the intensity of such practices (measured by the number of SI actions put into practice for each specific buyer), and (3) the nature of the services provided. In addition, while previous studies on the effects resulting from SI traditionally focus on making a comparison between several SI suppliers and their aggregate performance (e.g., Kohtamäki et al., 2013), this research focuses on the individual performance of multiple buyers of a single supplier. We thus conduct an SI analysis at a more granular level, i.e., considering the intensity and nature of SI actions used with each buyer, thus eliminating the variability resulting from the specific characteristics of the supplier firms (e.g., staff training to provide services to buyer). The research objective is relevant, especially in a context of intense competition that leads to a commoditization of the products offered, or low technical differentiation between products. As an alternative to price-only disputes, companies can seek to add value to their offerings through SI, but to be effective firms need to understand if SI results, in fact, in improved performance.

Method and Data
The validation of the theoretical models through the test of the proposed hypotheses was carried out by means of a quantitative study and application of statistical methods. We used a database of 10,537 buyers of a multinational pharmaceutical laboratory. Over the last years, the company has developed a service platform that aims at differentiating its offer from its competitors by offering its clients (i.e., aesthetic clinics), content and value-added actions both from a medical development perspective, as well as business support. The services included in the scope of this platform are offered free-of-charge and that are perceived as marketing tools used according to the objectives set for each customer segment: development, maintenance, conversion or protection from competition. The analysis of the database allowed identifying a total of 10,537 physicians that in 2015 and/or 2016 bought at least one unit of one of the firm’s offered products. As dependent variable, we considered the variation in the volume of units purchased by the firm’s business-to-business buyers between 2015 and 2016. In order to test the conceptual model, we used a database of 6,635 customers, who bought at least one unit of one of the company’s products in 2015; some of these clients also bought at least one unit of product in 2016. We were able to identify SI actions that could be classified as (a) Products Demonstrations, (b) Seminars, or (c) Technical Training. We used regression models for panel data (Wooldridge, 2015). The choice between fixed or random effects models was based on the Hausman test and, to overcome problems of data heteroscedasticity, we chose robust standard errors (Wooldridge, 2015). We used The statistical software STATA, version 12, to carry out the data analysis.

Key Contributions
This study makes important contributions to marketing theory and practice. This research contributes to the SI body of knowledge bringing forward empirical evidence of an optimal point for the number of SI actions. In our specific
case, we found that more than five SI actions for each buyer generate a negative growth in the number of units purchased by specific buyer. In addition, we found evidence that SI actions of different nature result in associations of different degrees of intensity with the growth of number of units purchased. Previous work was usually limited to discussing the importance of SI (e.g., Kwak and Kim, 2015), and besides with few exceptions (e.g., Kohtamäki et al., 2013), only a few studies analyzed the main drivers for SI success, such as the quantity and nature of the provided services, variables which we consider in our conceptual model. Our work also sets itself apart from previous studies by focusing on a single vendor and its buyers, instead of using a multivendor database and aggregate performance (without distinction between its different buyers). We thus eliminate possible variability effects resulting from different characteristics of the supplier (e.g., quality of SI actions provided to the buyers) that may affect the degree of success of specific SI actions. In managerial terms, besides reinforcing the importance of including metrics and analytical tools to evaluate marketing actions (Wedel and Kannan, 2016), the findings of this research are expected to be useful to managers who have to deal with product commoditization, and assess the effectiveness of moving towards a service orientation.

Summary of Findings
We found a positive linear association between the SI provision and the volume of units of product purchased by buyer. However, if we consider the intensity of services provided, this relationship is not linear, presenting instead an inverted-U shape format. This means that there is an optimal number of SI actions to be provided to each buyer, and after that optimal number the number of units acquired by the buyer becomes negative. In addition, the association between SI practices and the number of units purchased depends on the nature of the service being provided.

References are available on request.
Interfirm Complexity

Complexities Underlying Channel Structure and Relationships
Network Embeddedness as a Dependence-Balancing Mechanism in Developing Markets: Differential Effects for Channel Partners with Asymmetric Dependences  
*Maggie Chuoyan Dong, Fue Zeng, Chenting Su*

*Ed Bond, Mark Houston, Wolfgang Ulaga*

Is Collaboration a Better Way to Restore Trust After Opportunism? Distinguishing Firm and Boundary Spanner Opportunism  
*Chun Zhang, Xu Zheng, Julie Juan Li*

Risk Propensities and Contract Types in Infrastructure Investments: A Transaction Cost Economics Perspective  
*Sedat Cevikparmak, Saban Adana, Hasan Celik, Hasan Uvet, Brian Sauser*

An Analysis of the Relationship Between Performance-Based Contracts (PBCs) and Supply Chain Resilience (SCRES)  
*Hasan Celik, David Nowicki, Sedat Cevikparmak, Saban Adana, Carullah Kucuk*

Impact of Vertical Structure and Product Differentiation on Price Pass-Through: An Analysis of the Retail Beer Market  
*J. Daniel Martinez, Madhu Viswanathan, Mrinal Ghosh*
Network Embeddedness as a Dependence-Balancing Mechanism in Developing Markets: Differential Effects for Channel Partners with Asymmetric Dependences

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Fue Zeng, Wuhan University
Chenting Su, City University of Hong Kong

Description: To help these dependence-disadvantaged parties find feasible solutions for dependence balancing, this study examines network embeddedness and its differential role in enforcing the counterpart’s relationship-specific investments (RSIs), thus leading to improved channel performance for both partners.

EXTENDED ABSTRACT

Research Question
1. Can network embeddedness help the more dependent partners in developing markets balance asymmetric relationships?
2. How does the degree of dependence asymmetry moderate the role of network embeddedness in ensuring the counterpart’s RSIs?

Key Contributions
1. We add to the literature on network embeddedness by revealing the asymmetric role of network embeddedness in a relationship with dependence asymmetry.
2. We contribute to the literature on power dependence by illustrating that in developing markets, network embeddedness can serve as a dependence-balancing mechanism in asymmetric relationships because of its differential role in the less and more dependent parties.
3. We provide significant managerial implications for the more dependent partners in asymmetric channel relationships in developing markets.

Summary of Findings
Our findings show that the more dependent partner’s embeddedness in business and government networks elicits the less dependent partner’s idiosyncratic investments, and the less dependent partner’s RSIs accordingly contributes to the more dependent partner’s profit performance. However, the effects of the less dependent partner’s business and governmental embeddedness on the more dependent partner’s RSIs are not substantial, nor does the more dependent partner’s RSI affect the less dependent partner’s profit. Moreover, in a relationship with high dependence asymmetry, the role of the more dependent partner’s business embeddedness in enhancing the less dependent partner’s RSIs is attenuated, whereas the role of the more dependent partner’s governmental embeddedness in enhancing the less dependent side’s RSIs is strengthened.

References are available on request.

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Keywords: solutions, hybrid offerings, complexity, servitization, customization, integration

Description: A systematic review of the B2B solutions literature reveals five distinct eras and a dual role for solution complexity as a driver of customers to seek solutions and a natural limit to potential net value that can be created within solutions.

EXTENDED ABSTRACT

Research Question
Traditionally, solutions have been described as market offerings that bundle together goods and services (Sawhney et al. 2004; Sawhney 2006). In Tuli, Kohli, and Bharadwaj’s (2007) seminal article, they argue that a solutions provider helps B2B customers scope their needs, crafts the solution offer with customers, assists customers in implementing the solution, and then supports that solution through its lifecycle, over time.

Despite the tantalizing high promise implied by successes with small-scale solutions, B2B solutions providers and customers often struggle to realize positive outcomes when implementing solutions at a larger scale (Worm et al. 2017). Indeed, the complexity of integrating and managing the broad range of resources and capabilities that are needed for the solution may become too unwieldy to manage (see Holland 2014 for an overview of complexity and Anderson 1999 for how complexity impacts organizations). Yet, to the best of our knowledge, no prior research has shed light on the relationship between value creation opportunities and the magnitude of complexity associated with implementing customer solutions. The present research aims to close this gap by addressing the fundamental question of whether complexity is a natural barrier to the size or scale of successful solution implementation in business markets.

Method and Data
We conducted a systematic review of B2B solutions research in order to offer future directions for researchers. Based on a comprehensive review of nineteen marketing journals, exploration of source material from relevant articles, and recommendations of additional materials by an expert panel, we defined the articles to be included in the review.


Summary of Findings
The review reveals that complexity plays a dual role in B2B solutions: it leads customers to seek solutions providers (because of the wide range of specialized capabilities and

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resources required), but also makes it difficult for solutions providers to earn the returns that seem, at first glance, to be so appealing.

Our conceptual framework arrays business solutions in two-dimensional space characterized by total value-total cost created by the solution (arbitrarily expressed in dollars) and complexity. Costs and value are shared across provider, customer, and third parties engaged in solution delivery. We explore the elements of solutions that add complexity and, in turn, costs. These may be expressed in (a nonexhaustive) total cost function:

Total cost = f (scope of elements, scarcity of elements, number of entities involved, coordination/integration/governance tasks)

At low levels of both cost/value and solution complexity are single goods, followed by single services. At increasing complexity and potential for net value creation are single firm hybrid offerings (e.g., asset efficiency services, product support services) followed by multifirm offerings. Ultimately, as the complexity of a solution rises even further, costs escalate exponentially, and the incremental potential value created in return fails to keep up with the costs of complexity.

**Key Contributions**

We offer three key contributions.

1. We conduct a systematic review of scholarly research regarding B2B solutions, focusing heavily on the marketing literature. The review reveals that complexity plays a dual role in business solutions. First, many of the high-value solutions desired by customers entail levels of complexity that the customer simply cannot manage internally; thus, the need to address complexity drives customers to consider engaging with a solution provider. However, managing complexity—even for a highly capable solutions provider—is a costly endeavor. Thus, complexity represents the key challenge for profitable operations of the solution provider.

2. We offer a conceptual framework of the interrelationship between complexity and customer value creation to help managers and scholars better understand the challenges faced in the solution (post-) deployment phases and help firms identify the sources of complexity that they must manage in offering and implementing solutions.

3. Drawing on the systematic review of the B2B solutions literature and the conceptual framework linking solutions value creation, cost, and solution complexity, we offer directions for future research.

*References are available on request.*
Is Collaboration a Better Way to Restore Trust After Opportunism? Distinguishing Firm and Boundary Spanner Opportunism

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Julie Juan Li, City University of Hong Kong

Keywords: boundary spanner opportunism; collaboration; aggression; tolerance; trust restoration

Description: This study examines how boundary spanner opportunism and firm opportunism moderates the effect of different strategies on trust restoration.

EXTENDED ABSTRACT

Research Question
This research examines how firm and boundary spanner opportunism influence the effect of collaboration on postopportunism trust restoration, a crucial yet challenging context for trust development. We further examine how firm and boundary spanner opportunism influence the effect of two alternative strategies to collaboration, tolerance, and aggression, on postopportunism trust restoration.

Method and Data
We analyzed 574 confidential reports of senior managers working for 287 industrial buyers in China. The questionnaire data was collected via face-to-face interviews. We used confirmatory factor analysis to test the measurement model and two-stage least square regression (2SLS) to test our hypotheses.

Summary of Findings
We find that collaboration is the most effective strategy for postopportunism trust restoration. More importantly, our findings show that although collaboration restores trust under both types of opportunism, it fits better with individual boundary spanner opportunism than with firm opportunism. In comparison, tolerance has a positive effect on trust restoration under boundary spanner opportunism but negatively affects trust under firm opportunism, while aggression hinders trust restoration even more under firm opportunism than it does under individual boundary spanner opportunism.

Key Contributions
The current research shed light on the under-studied role of human agents in managing interfirm relationships by distinguishing firm opportunism from boundary spanner opportunism. Our findings show that the extent to which collaboration can restore trust after opportunism depends upon whether the opportunistic act is a result of a supplier firm’s collective intention. Furthermore, we contrast the use of collaboration after opportunism with two alternative strategies: aggression and tolerance and perform one of the first empirical studies that test the effect of various response strategies on trust restoration.

This project is fully supported by a grant from Research Grant Council of Hong Kong SAR (project no. CityU 11508417).

References are available on request.
Risk Propensities and Contract Types in Infrastructure Investments: A Transaction Cost Economics Perspective

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Hasan Uvet, Savannah State University
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Keywords: risk propensity, contract types, transaction cost economics, risk allocation

Description: This paper explores relationships between risk propensities of decision makers and choice of contract types in a hybrid governance structure situation regarding asset-specific and large-scale infrastructure investments.

EXTENDED ABSTRACT

Research Question
Do risk propensities of decision-makers influence their choice for contract types in high-cost and large-scale infrastructure investment decisions? If so, in which directions?

Method and Data
The nature of the problem should drive the research method to be used. In line with this reasoning, we have used mixed methods (interview, experiment, and survey) to address our research question. Because we attempt to merge two conceptual models in TCE and to extend the theory, we would like to conduct interviews with decision makers from the field to validate/improve our conceptual and theoretical model. These interviews will also provide insights into conjectured relationships between risk propensity and contract decisions. After receiving input about our initial model, we will refine our model. We plan to conduct a pilot test and a series of scenario-based experiments to test whether our hypothesized main effect between risk propensities and contract types exists. We think it is important to show a causal relationship between risk propensities and contract types utilizing an experimental approach since our main argument is that flaws emanating from being a human being can penetrate various organizational controls for even huge, high-impact and high-cost decisions such as infrastructure investment decisions. However, we think that experiments with an MBA student sample will not suffice to support our predicted relationship without any empirical support from the business world, using survey method. Since we are especially focusing on the large-scale projects, we will take a purposive sampling from firm/organization decision makers that make infrastructure investment decisions.

Summary of Findings
In this research, we attempt to contribute to the current debate about risk neutrality assumption of TCE by empirically testing possible effects of risk propensities in the decision-making process and examining the scope and direction of this influence.

Key Contributions:
This study has both managerial and theoretical implications. We seek to reintroduce the concept of risk into Williamson’s framework and attempt to explain the different types of contract decisions taken by managers from various risk propensities under different risk conditions. This study aims to increase the explanatory power of TCE by demonstrating that risk is a pivotal construct that could account for variability in contract types choices. To our knowledge, this study will also be the first to examine the effects of risk propensities in a business decision-making process using an experimental approach.

References are available on request.

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An Analysis of the Relationship Between Performance-Based Contracts (PBCs) and Supply Chain Resilience (SCRES)

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Keywords: performance-based contract, outcome-based contract, supply chain, supply chain resilience, resilience, risk management

Description: This paper examines the relationship between performance-based contracts (PBCs) and supply chain resilience (SCRES).

EXTENDED ABSTRACT

Research Question
1. Is there a relationship between PBC and SCRES?
2. If yes, what are the implications of PBC on SCRES? How and why?
3. What are the boundary conditions?”

Summary of Findings
Based on the arguments mentioned in the paper following propositions are developed:

P1a: Successful implementation of PBC facilitates innovation, which leads to an improvement in SCRES.
P1b: The risk-averseness of a supplier is negatively related to its innovativeness in PBC.
P1c: The contract length is positively related to innovativeness of a supplier in PBC.
P2a: Buyers introduce a new risk management strategy with successful implementation of PBC.
P2a1: Successful implementation of PBC leads to redundancy in the resources of buyer that can be allocated to core competency related risks thereby increasing SCRES.
P2b: Risk propensity of the organizations plays a moderating role in the transfer of the risks in PBC.
P2b1: The risk averse ness of suppliers is negatively related to the transfer of the risks in PBC.
P2b2: The risk averseness of buyers is positively related to the transfer of the risks in PBC.
P2c: The contract length is positively related to the transfer of the risks in PBC.
P2d: The payments/rewards are positively related to the transfer of the risks in PBC.

Key Contributions
This study examines the relationship between PBC and SCRES through the lenses of AT and exhibits that successful implementation of PBC will have a positive impact on risk management and innovativeness of a buyer through either initiated by it or the buyer, which will, in turn improve SCRES. Being the first study in this research, it provides both theoretical and managerial implications. Theoretically,
it provides two contributions. First, it extends both SCRES and PBC research and reconciles them; second, it highlights the importance of contracts, which governs the IOR and transactions formally, in establishment or improvement of SCRES. In terms of managerial implications, it presents a new input for the decision making the process of contract type. Managers/executives or decision makers may take into account the effect of PBC on SCRES while they are choosing contract type or designing it. If they already employ PBC, being aware of the impacts of successful PBC on SCRES, they may strive to pay attention to the key tenets of successful implementation of PBC to improve their SCRES.

References are available on request.
Impact of Vertical Structure and Product Differentiation on Price Pass-Through: An Analysis of the Retail Beer Market

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Keywords: pass-through, vertical structure, product differentiation, difference in difference

Description: Using the retail beer industry in the U.S as context, we leverage differences in regulations across states that mandate different vertical structures along with changes in excise tax to investigate the impact of both vertical structure and product differentiation on price pass-throughs.

EXTENDED ABSTRACT

Research Question
It is common for policy makers to use taxation policy to regulate the consumption of certain goods like gasoline, alcohol and tobacco. For example, every state in the United States imposes taxes on the sale of beer, cigarettes and alcohol. In a similar vein, manufacturers also use trade promotions to affect end-user prices sales. In both taxation policy and trade promotions, the objective is to affect final retail prices by altering the costs to the producers. However, channel structure and product differentiation in the marketplace often distort the final retail prices that consumers face leading to pricing patterns that are different from those intended by the decision makers. Our goal in this research is to understand how vertical structure and product differentiation affect the pass-through of manufacturing costs to final retail prices. This article provides a robust measurement of the causal relationship between vertical structure, vertical differentiation, and their interaction on pass-throughs.

Method and Data
We employ a difference-in-difference setup to measure the change in retail prices due to an increase in excise taxes. In our analysis we use quarterly data at the stock keeping unit (SKU) level. The data was gathered from grocery store retail beer sales in the United States from January 2001 through December 2011. Part of our data comes from the IRI marketing data set (Bronnenberg, Kruger, and Mela 2008) and from the 2016 Brewers Almanac (Beer Institute 2016). Data from the IRI data set contains weekly retail sales at the SKU-store level for 40 states. The scanner data is supplemented with yearly state level data on the legal drinking age population, number of active brewer licenses, excise rates, and additional beer and spirits related regulation (e.g. two-tier versus three-tier classification and self-distribution exceptions). We enriched the data set by coding brands as premium or standard beers. To code each of the 2,397 brands in our data set we used attributes such as brewer’s BA size category, brewer’s brand lineup, marketing campaigns, and brand history when available. We also identify the subset of premium brands that are brewed and sold by independent craft brewers.

Summary of Findings
The results on vertical differentiation suggest that quality differences in a market allow for the higher quality players to shift more of a cost shock to the consumer even in the presence of competitors due to their lower price elasticities. Having a low-elasticity product assortment might allow brewers to shift costs from their standard products to their higher-end products. Conversely, in markets where vertical differentiation leads to virtual monopolies prices are more sensible to cost shocks than those of homogeneous goods.
We also show that less integrated channels serve as a dampener of the vertical differentiation effect. In essence, by having a distributor as a middle man, cost shocks may be absorbed by both the manufacturer and the distributor yielding less cost pass-through overall.

We show that lower quality products in a less integrated channel see less price pass-through than in more integrated channels. This might suggest that in three-tier states, imposing higher excises taxes does not necessarily result in higher prices for the high-volume standard beers. Although, state governments might benefit from the higher tax revenues, the intended demand effects from higher prices might not be present resulting in lower consumer welfare for the high-quality beer drinkers.

**Key Contributions**

We contribute to both theory and practice. Our study is the first study to provide robust causal evidence of the impact of vertical structure and vertical differentiation on cost pass-through. We do this by eliminating the endogeneity of vertical structure choice and by being able to clearly map how the change in cost should impact retail prices. Further, by studying the interaction of vertical structure and vertical differentiation, we highlight the biased inference that occurs when these factors are not examined simultaneously. Finally, for public policy practitioners and marketers, we showcase the distributional consequences of vertical structure and product differentiation on final retail prices.

*References are available on request.*
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Vertical Segmentation Pricing Policy by Online Platforms

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Keywords: two-sided platform, vertical segmentation, pricing, sharing economy, quality heterogeneity, network effects

Description: This paper studies online platform’s optimal vertical segmentation policy in the presence of endogenized same-side and cross-side network effects.

EXTENDED ABSTRACT

Research Question
Two-sided platforms are a popular business model in the sharing economy. Many platforms segment heterogeneous users into sub-markets. For example, Uber categorizes drivers into seven classes, from the economy class UberX to the premium class UberBlack. Such segmentation policy alters both buyers’ shopping strategies and experiences and sellers’ competing strategies, and consequently the platform’s profit.

Although existing literature has developed a comprehensive understanding on vertical differentiation/segmentation strategy by retailers, segmentation by two-sided platforms is a new business practice and is more complicated. A policy segmenting users on one side not only restrains the users’ trades on this side, but also alters the trading strategies of the users on the cross side, which further influences the users on the original side. Moreover, whether the platform or the users sets the price also affects the outcome of the platform economy. There is lack of understanding in academic and managerial practices on how to optimize platform segmentation policy. This paper examines optimal platform outcomes of vertical segmentation in the presence of seller’s different product quality offerings and consumer’s varied preferences in the presence of network effects.

Summary of Findings
We consider a marketplace with heterogeneity on both seller product quality and buyer quality preference. The platform can segment sellers into two sub-markets according to their product qualities. Buyers are multihoming and can buy from both sub-markets. However, their purchase decisions are affected by the vertical segmentation policy as the trading prices change. We examine three different scenarios—an integrated market where sellers trade at a uniform price, a segmented market where the platform decides the prices, and a segmented market where sellers decide the prices.

We use game theoretical models to solve the platform’s optimal pricing strategy under the segmentation policy and show that the platform can increase its profit through segmentation by ensuring a better match between buyers and sellers. Low quality sellers always benefit by segmentation, while high quality sellers benefit only if the quality gap is sufficiently large. We find that under market segmentation, buyers gain surplus from consuming low quality products, but lose more in consuming high quality products. The total consumer surplus decreases. We further examine the platform’s commission charges under segmentation and show that the platform should charge more on high-quality seller when the substitution effect among the sellers is large.

Key Contributions
Our study contributes to the burgeoning literature on two-sided platform by exploring a prevalent platform management practice, vertical segmentation. The models and findings deepen our understanding on user heterogeneity management in platform business model, specifically, how the seller-side and buyer-side heterogeneity shapes the network effect in platform economy and how the platform use segmentation policy to manage the user heterogeneity.

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Our research has significant managerial implications. The theoretical findings provide guidance to platform managers on a series of pricing and management decisions. The findings also help sellers and buyers to understand the consequent impact of the platform segmentation policy and optimize their trading and entry decisions.

*References are available on request.*
A New E-Business Model of Sectional Production by the Masses and Fragmentary Consumption and Purchase in the Digital Age

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Keywords: digital marketing, e-business model, online informational products, sectional production, fragmentary consumption, Bayesian models

EXTENDED ABSTRACT

The rapid development of ubiquitous digital technology and the Internet is digitizing the business world and changing traditional business models. Such digitization results in a new e-business model of production process and consumption behavior—sectional production and fragmentary consumption and purchase. In this business model, information technology enables producers to introduce unfinished, ongoing informational products to the market for consumers' consumption and purchases while the producer continuously works on the product, and decides production pace and pricing strategy for different sections of the product dynamically (Carr 2011). Such serial production for one product allows that consuming or purchasing a single product becomes a series of many fragmentary consumption or purchase actions of different sections of the product at different time periods. As a result, for each consumption or purchase, consumers actually only obtain a portion of a product rather than the finished whole. Thus, consumers need to make multiple and sequential consumption and purchase decisions of different sections of the product because they do not know in advance when a new section of the product is available, whether the new section is free, and when the product will be finished.

For the producer, consumers' consumption and purchase behaviors on previous sections of the product may impact the performance of later sections, resulting in the fact that both production and consumption of a single product become dynamic and uncertain. To date, however, marketing research related to consumers’ product choices, consumption or purchases has often focused on completed products, rarely considering semi-finished or unfinished on-going products because mostly completed products have been commercialized to attract and compete for consumer demand (Mahajan et al. 1995). Thus, so far little is known in both marketing literature and practice about how an ongoing informational product attracts and competes for consumers’ consumption and purchases, how a producer determines pricing strategies for incomplete products, and what the optimal production pace for the producer is in order to maximize sales. As ever-changing digital technologies and networked devices have made fragmentary consumption and purchase possible and popular, there is an urgent need to uncover the underlying mechanism of this new e-business model and its dynamics. Therefore, in this paper we propose a theory-based model with empirical investigation to fill the gap and provide new insights and actionable knowledge to producers and site managers.

To illustrate our framework and model, we use an emerging online informational product market as an example. In this market, ordinary people produce and self-publish their literature works online in the format of novels, prose, or poems, while visitors come to the market for consumption or to make purchases. Since anyone with a computer or smart phone with Internet access can rely on his/her intellectual power to write and self-publish literature works, this market is growing rapidly. It has attracted millions of visitors every day because of its free and open style, innovative contents, and easy access by smartphones or tablets. For example, in 2015, traffic in online

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literature markets in China increased to 297 million daily readers, accounting for 43% of Internet users in China (Li 2016). In Canada, a leading online literature app, Wattpad, had two million writers producing 100,000 pieces of works a day for 20 million readers on an intricate international social network in 2014 (Streitfeld 2014). In the United States, Amazon, Barnes & Noble, Apple and Google all offered self-publishing programs to allow the average person to write, update, publish, and sell his or her e-book, with the number of e-books reaching 6 million and a 24% market share of overall trade book revenue in 2014. There are also growing e-book markets in Germany, France, Spain, Italy, Brazil, Russia and India, although the growth rate in these countries is lower than that in U.S. (Anthony 2012).

Most authors in online literature markets are ordinary people in the general public, having full-time jobs and using their spare time to work on their books. They usually spend several months or years to finish a book, and they thus often write and publish serially online. This fragmentary writing with sectional publishing of ongoing works allows visitors to read or consume the content in pieces while waiting for new chapters of the book to come. Any user interested in becoming an author can sign up and complete a copyright contract, which grants either sole or joint ownership of the work to the literature site. Thereafter, the author may begin to write, publish, or update her works immediately. During the writing process, the author can choose a particular book category, write an abstract, and design a digital book cover. Unlike traditional publishing where publishers serve as gatekeepers and apply formal screening and editing processes, no formal screening and editing procedures exist for authors to publish on a literary site. The monetary investment cost for each potential author is relatively low because of the low requirements for equipment and Internet access. However, if the author succeeds, she may gain not only good reputation but also significant revenues. On a typical Chinese literature site, authors can make money by writing new chapters of a book as paid chapters. Prices typically range from .02–.05 RMB per 1,000 words (currently 1 RMB equals $0.15), with 70% of the revenue going to the author and the remaining 30% going to the site. If a book receives many clicks from visitors, it may indicate that the book is likely to become a hit, and it may lead to a chain reaction, where media coverage increases, and the story may be reproduced as a movie, television drama, or digital game. In 2010, at least 10 Chinese authors who started out as amateur writers earned annual incomes of 1 million RMB, and one amateur author with the pen name “Tang Jia San Shao” even earned 110 million RMB in royalties in 2015 (Gu 2014; Qin 2016). Such successful cases may encourage more amateurs to start writing. As of 2014, more than 2 million Chinese authors had produced online literature products, generating 4 billion RMB in income (Lin 2014). Some self-published amateurs in the U.S. have earned millions as well (Barkham 2012). Online literature markets are thus transforming production styles, promoting fragmentary consumption and purchases and reshaping entertainment landscapes.

Owing to the nature of the sectional production of literary works and the large variation in authors’ writing capabilities, visitors’ consumption or purchases at one time concern only partial information of the book and face severe uncertainty. Meanwhile, due to heavy competition among authors and visitors’ fragmentary consumption patterns, authors do not know exactly how to effectively design and publish their ongoing books to successfully attract visitors’ consumption and purchases. At present, a common strategy for many authors is to offer free content—setting up some initial chapters free. However, little is known about when to adopt paid chapters in order to increase consumption and purchases and about how many chapters should be offered free. Moreover, for an on-going informational product, authors do not know what an optimal publishing pace should be to attract visitors and maximize sales.

The online literature creation and self-publication market provides a perfect context for us to empirically investigate the mechanism of IT-enabled sectional production-fragmentary consumption business model. Based on the human cognitive theory (James 1918, Kolb 1984) and information cascade theory (Bikhchandani et al. 1992), as shown in Figure 1, we develop a recursive learning model in a hierarchical Bayes framework to examine the author’s timing decision on paid chapters and visitors’ fragmentary consumption and purchase behaviors for incomplete products simultaneously. Our investigation and analyses provide answers to the following research questions. On the author side, when should an author adopt paid chapters? How many free chapters should the author offer in the book in order to increase sales? What should be the optimal publication pace for the author? How consumers’ learning behaviors help the author build a fan base? On the visitor side, how authors’ sectional production processes affect visitors’ consumption and purchases? How different types of learning such as observational learning (OL) and experiential learning (EL) help visitors deal with quality uncertainty using limited information from the site? Is there a differential impact of OL and EL on visitors’ consumption vs. purchase behaviors? What are their exact effects on visitors’ decisions? Our model is general and may be applied to other informational products such as apps and digitals games where sectional production and fragmentary consumption are also popular.

Our research makes several important substantive contributions to the digital marketing literature. First, this study is the
first to empirically investigate a new emerging digital culture market—online literary markets. We identify three unique features of the market: sectional production, fragmentary consumption and purchases, and the ability of the author to charge different sections of the digital product dynamically. We create two new measures to capture authors’ sectional production behaviors: publishing frequency and publishing recency of book content. These two measures enable us to deeply understand how authors’ production paces influence visitors’ consumption and purchases and what production strategies authors should follow to increase their book performances. So far, no research in the marketing field has examined this issue from the producer’s perspective.

Second, current digital technology and networked devices have made fragmentary consumption and purchase possible. To our best knowledge, our research is the first to examine how consumers react to unfinished on-going products in terms of both consumption and purchases. We obtain many interesting and novel insights on both visitors’ and authors’ behaviors on the site. For instance, on the visitor side, the results show that both OL and EL play an important role in visitors’ book consumption and purchases; further, OL dominates consumption behavior while EL dominates purchase behavior. OL and EL then have a negative interaction effect on both book consumption and sales. On the author side, we find that when the expected number of sales is greater, when the author has more book publication experiences on the site, or when there is heavy competition, the author will adopt paid chapters earlier. The author has a nonmonotonically decreasing baseline hazard, indicating a lower probability of adopting paid chapters as time goes by.

Finally, in the marketing literature, little is known about when and how much “free” content of digital products should be offered in order to increase product sales, particularly for unfinished ongoing products. In this study, we conduct a number of policy simulations and find that on average an optimal strategy for authors to maximize sales on the focal site is to offer the first 45% of chapters of a book free, which equals 137 free chapters. An optimal publication pace for authors should be offered in order to increase product sales. OL and EL then have a negative interaction effect on both book consumption and sales. On the author side, we find that when the expected number of sales is greater, when the author has more book publication experiences on the site, or when there is heavy competition, the author will adopt paid chapters earlier. The author has a nonmonotonically decreasing baseline hazard, indicating a lower probability of adopting paid chapters as time goes by.

Following our conceptual framework in Figure 1, our mathematical model considers both author-side timing decision and visitor-side timing decision and purchase behavior.

**Author Decision: Timing of Adopting Paid Chapters**

Authors may choose to adopt paid chapters in their books. As discussed earlier, the timing decision to include paid chapters for a book depends on the expected sales of the book, the cost proxies, and competition (log number of other books in the category). Because we do not observe the actual timing of the author’s decision to adopt paid chapters in our data, we approximate it by the number of free chapters offered considering their potentially high correlations. Because the number of free chapters offered represents a discrete time of paid chapter adoption, we employ a discrete-time proportional hazard model to capture the author’s timing decision to adopt paid chapters (Seetharaman and Chintagunta 2003). The hazard function is specified as

\[ h_i(t, X_{ij}) = h_0(t) e^{\beta X_{ij}} \]

(1) \[ X_{ij} = \beta_0 + \beta_1 \text{E}(\text{SALE}_{ij}) + \beta_2 \text{Male} + \beta_3 \text{NoBook} + \beta_4 \text{Compet}_{ij} \]

where \( h_0(t) \) is the baseline hazard for author \( i \) and book \( j \). \( E(\text{SALE}_{ij}) \) is the author’s expected sales for the book, and the author is assumed to have rational expectations on the future sales. \( \beta \) are parameters to be estimated and capture the author heterogeneity.

Then, the discrete-time hazard or the probability that the paid chapter adoption will occur at time \( t \) with covariates \( X_{ij}(Pr(t, X_{ij})) \), and survival function \( (S_i(t, X_{ij})) \) is given by

\[ \Pr(t, X_{ij}) = 1 - e^{-\int_{0}^{t} h_i(u, X_{ij})du} \]

(2) \[ S_i(t, X_{ij}) = e^{-\int_{0}^{t} h_i(u, X_{ij})du} \]

Following Saha and Hilton (1997) and Seetharaman and Chintagunta (2003), we choose the Expo-power specification for the baseline hazard because it is very flexible and found to dominate the Weibull, Erlang-2 and Log-logistic baseline hazards for any available dataset. Thus,

\[ h_i(t) = h_0(t) e^{\alpha t^{k-1}} \]

(3) \[ S_i(t) = e^{(1-e^{\alpha t^{k-1}})} \]

where both shape parameter \( a \) and scale parameter \( b \) are positive. This baseline hazard can be flat, monotonically increasing, monotonically decreasing, U-shaped, or inverted U-shaped.

Let \( Time_{ij} \) be the observed time (number of free chapters offered) of author \( i \) to start adopting paid chapters for book
Then, the probability that the paid chapter adoption will occur at $Time_{ij}$ is $Pr(Time_{ij}, X_{ij})$.

**Visitors’ Book Consumption**

When a visitor intends to read a chapter of a book, she would click on the read button of each chapter. Thus the number of new clicks received for a book indicates the level of consumption. We use $C_{ijt}$ to represent the number of new clicks received for author $i$, book $j$, at time $t$ (week).

A visitor’s consumption relies on her mind process of observed information from the literature site. Visitors observe two sets of information—book expression $Book_{ij}$ and its corresponding author features $Author_{ij}$—from the site. They convey meaning and signal impact power to a visitor from which a felt value is generated based on OL, EL, or both (Dewey 1967). For example, information exhibited in book expression $Book_{ij}$ such as book abstract, title, the presence of a digital cover picture, status as a new book or not, and publishing pace represents the book’s horizontal product differentiation. The book’s exclusive copyright contract may signal that the author has high confidence in the book’s quality and hence lead to more book sales. In addition, from a list of books displayed on the site, the visitor can acquire information on the total number of clicks from other visitors received in the previous period (denoted as $OL_{ij(t-1)}$ for book $j$ of author $i$ at time $t$). The visitor can also see information on book ratings and category (e.g., the category is in category of science fiction, history, etc.), author features $Author_{ij}$, and the number of books from different authors in the same category (e.g., competition effect, denoted as $Compet_{ij}$). $OL_{ij(t-1)}$ and book ratings reflecting book quality represent the book’s vertical product differentiation.

Without loss of generality, we assume that only when the latent attractiveness $C_{ijt}^*$ is greater than 0 does the book receive a click from visitors. Then mathematically we have

$$C_{ijt}^* = \gamma_{ij} + \gamma_{ij}Time_{ij} + \gamma_{ij}OL_{ij(t-1)} + \gamma_{ij}EL_{ij(t-1)} + \gamma_{ij}OL_{ij(t-1)} \times EL_{ij(t-1)}$$

(5) 

$$+ \gamma_{ij}Book_{ij} + \gamma_{ij}Author_{ij} + \gamma_{ij}Compet_{ij} + \nu_{ij} + \epsilon_{ijt},$$

and

$$C_{ijt} = \left\lfloor \text{Floor}(\exp(C_{ijt}^*)) \right\rfloor$$

(6) 

if $C_{ijt}^* > 0$

otherwise.

where $Floor(Y)$ is the integer component of $Y$, where discretization occurs.

The visitor’s book consumption decision is likely to be influenced by the number of free chapters (the author’s timing of adopting paid chapters, $Time_{ij}$) and visitors’ own experiences $EL$ (the cumulative number of own clicks on the focal book up to the end of the last period, $EL_{ij(t-1)}$). The visitor may also use both observational learning ($OL_{ij(t-1)}$) and experiential learning ($EL_{ij(t-1)}$) to generate a felt value. Thus, we include these variables in Equation (5). We also use an error decomposition approach to incorporate a separate time-specific error term ($\theta_t$) in Equation (5), and capture unobserved, time-varying environmental factors, such as potential competition from other literature sites (Ding et al. 2015). The error term $\epsilon_{ijt}$ captures the unobserved random shocks.

**Visitors’ Book Purchases: Conditional Sales Amount**

Visitors need to make a purchase decision if an author includes paid chapters in the book. Such decision depends on the visitor’s judgment after perceiving book information from the site. If we let $SALE_{ijt}$ be the sales amount for chapters in book $j$ of author $i$ at time $t$, then mathematically, we can capture visitors’ purchase decisions conditional on the author’s including paid chapter in the book as follows:

$$n(SALE_{ijt} + 1) = \begin{cases} S_{ijt} & \text{if } S_{ijt} > 0, \\ 0 & \text{otherwise} \end{cases}$$

$$S_{ijt} = \pi_{ij} + \pi_{ij}Time_{ij} + \pi_{ij}ln(C_{ijt} + 1) + \pi_{ij}OL_{ij(t-1)} + \pi_{ij}EL_{ij(t-1)} + \pi_{ij}OL_{ij(t-1)} \times EL_{ij(t-1)}$$

$$+ \pi_{ij}Book_{ij} + \pi_{ij}Author_{ij} + \pi_{ij}Compet_{ij} + \nu_{ij} + \epsilon_{ijt}$$

(7) 

where the mechanism for generating the latent attractiveness for purchase ($S_{ijt}^*$) is similar to that for stimulating consumption in Equation 5, with two exceptions. First, if the visitor has already read some free chapters of a book, her consumption level (the log of the number of new clicks, $ln(C_{ijt} + 1)$) would structurally affect her purchase decision on these paid chapters of the same book. Our simultaneous equations system is a recursive model which would allow us to identify the impact of a structure shift from consumption to purchase. Second, in the term $Book_{ij}$, we add one variable and check if the book’s copyright contract type (whether the book’s copyright belongs to the author exclusively or not) influence purchase. The book’s contract type, reflecting the author’s book revenue management, may signal the author’s confidence in the book’s sales potential, and hence is more likely to influence book sales than book consumption. Although visitors do not observe sales information from the site, they can directly observe the total number of clicks received by the book over time. Therefore, they can use this information as OL to help their purchase decisions. Again, we assume that the time-varying error term follows a normal distribution such that $\alpha_t \sim N(0, \sigma^2\alpha_t)$.

**A Recursive Simultaneous Learning System**

We have a recursive simultaneous learning system that captures both author and visitor actions. This model is implemented using a hierarchical Bayes framework in which not only the impact of OL, EL and its resulted latent attractiveness or felt value from perceived observations can be estimated, but also unobserved individual author and book differences (heterogeneity) can be captured. For identification purposes, we assume that the error term $\nu_t$ follows a normal distribution such that $\nu_t \sim N(0, \sigma^2\nu_t)$. We also assume that $\nu_t$. 

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and $\epsilon_{ij}$ are independent (Ding et al 2015). Therefore, we have

\begin{equation}
\beta_y = \left( b_y, \gamma_y, \pi_y, \varphi_y \right) \quad \text{and} \quad \beta_y \sim MVN(\bar{\beta}, \Lambda).
\end{equation}

where we adopt a random coefficients approach in our hierarchical Bayes framework. With the above specification, we obtain the following individual likelihood function in our system:

\begin{equation}
\Pr(t, C_{ijt}, \text{SALE}_{ijt}, R_{ijt} | b_{ij}, \Sigma) = \prod_{t} \Pr(t, X_{ij} | \lambda_i) \cdot \Pr(t, 1 - Pr(t, X_{ij} | \lambda_i)) f(\lambda_i) d\lambda_i.
\end{equation}

\begin{equation}
\Pr(t, X_{ij} | \lambda_i) = \begin{cases} \Pr(C_{ijt}, \text{SALE}_{ijt}, R_{ijt} | b_{ij}, \Sigma) f(\beta_{ij}) d\beta_{ij}, & \text{Pr}(t, X_{ij} | \lambda_i) = 1 \quad \text{if } \text{Time}_{ij} = t \quad \text{and} \quad 0 \quad \text{otherwise}. 
\end{cases}
\end{equation}

where $\Pr(t, X_{ij} | \lambda_i)$ is the discrete-time hazard or the author’s probability of adopting paid chapters at time $t$. $I_j$ is an indicator variable that takes the value 1 if the paid chapter adoption occurs at time $t$ such that $\text{Time}_{ij} = t$. $I_j$ is an indicator variable that takes the value 1 if the paid chapter adoption occurs at time $t$ such that $\text{Time}_{ij} = t$ and 0 otherwise. $\Pr(C_{ijt}, \text{SALE}_{ijt}, R_{ijt} | b_{ij}, \Sigma)$ is the joint density function of book consumption ($C_{ijt}$), sales ($\text{SALE}_{ijt}$) and the endogenous variables ($R_{ijt}$) based on a multivariate normal distribution. The log likelihood is $\ln(L) = \sum_{i} \sum_{t} \ln(\Pr(t, C_{ijt}, \text{SALE}_{ijt}, R_{ijt})).$

**Main Findings and Conclusions**

Using empirical data from the top Chinese literature site, we demonstrate the simultaneous existence of OL and EL effects on visitors’ consumption and purchases. We find that visitors rely more heavily on OL for book consumption but more heavily on EL for book purchases on the focal site. The interaction of OL and EL has a negative effect on both book consumption and sales. We create two new measures (publishing frequency and recency) to capture authors’ sectional production processes and examine how sectional publishing affects visitors’ consumption and purchases to offer actionable knowledge on the optimal publishing pace. We find that on average it is optimal for authors to update new contents for a book once every 8.3 days, with short time intervals in between. We also find that on average it is optimal for authors to provide the first 45% of chapters of her book free before starting to include paid chapters with large heterogeneity on these optimal strategies across books. Therefore, authors can use our proposed model to determine the optimal timing of adopting paid chapters and optimal publication pace at the book level. With the development of advanced information technologies, sectional production and fragmentary consumption and purchases will become a major trend. This study thus sheds light on our understanding of this trend and provides important actionable managerial implications for producers and site managers in this market.

*References, tables, and figures are available on request.*
The Impact of Review Content and Style on Box Office Revenue

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Keywords: online review content, linguistic style matching, review helpfulness, LIWC

Description: This paper investigates whether online review content and linguistic style matching influence new product sales, and whether this relationship is moderated by review helpfulness.

EXTENDED ABSTRACT

Research Question
Text-based communication includes two inherently inseparable components, text content and linguistic style. In addition, as online review generation becomes more mainstream, review websites have started to host a huge number of online reviews, which to an extent creates information overload for users. We focus on two research questions: (1) How do review style and content affect new product sales? and (2) How does review helpfulness moderate these effects?

Method and Data
We use a two-level mixed model to examine our hypotheses. Our data is from IMDB.com and include 760,175 online reviews from 876 movies during the period June 2005 to December 2009.

Summary of Findings
We find that low linguistic style matching (LSM) in online reviews has a positive impact on new product sales. This means decision makers should encourage users from diverse backgrounds to post reviews. We also find that positive impact of low LSM, positive affective content, and cognitive content on new product sales accentuate when review helpfulness is high. This means decision makers should encourage users from diverse backgrounds to post helpful reviews that include positive affective components and logical reasoning.

Key Contributions
Our study attempts to contribute to the electronic word-of-mouth (eWOM) literature in three ways. First, drawing upon communication accommodation theory, we extend the previous work by studying linguistic style matching in conjunction with textual content. Although social psychology research documents the role of content and style in the behavioral outcomes of written communication, eWOM literature presents a gap in this more comprehensive approach. Similar to the content, style of an online review or the use of function words including pronouns, prepositions, articles, conjunctions, and auxiliary verbs conveys meaning, and creates an impact on readers’ behavioral reactions to the written communication. Second, most previous work on online reviews focuses on existing product sales and thus use numerical measurement proxies. We attempt to address this gap by implementing a hierarchical linear model to study the link between the change in deeper textual characteristics and the change in new product sales with a longitudinal perspective. Deep textual characteristics refer to affective and cognitive components used to communicate a user’s positive and negative emotions as well as his or her logic. Third, we contribute to the extant eWOM theory by documenting how review helpfulness as a key variable interacts with review content and style, and leads to changes in new product sales.

References are available on request.
Declining the Use of Search Engine Advertising in Affiliate Marketing: Neglecting the Full Potential of a Business Model?

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ABSTRACT
In affiliate marketing, few merchants allow the use of search engine advertising by affiliates restricting the potential of this business model. The study analyzes this situation from both perspectives and thus adds to the literature on affiliate marketing and multichannel relations. Affiliates primarily need to compare the spending in search engine advertising and the return through commissions. In contrast, merchants have to consider spillover effects and potential benefits on the search engine results pages. The underlying complexity only explains in part the prohibited use of search engine advertising. Affiliates with few merchants should consider using search engine advertising. Merchants should allow search engine advertising if the danger of prospect migration is low.

Keywords: affiliate marketing, commission, performance-based marketing, revenue sharing, search engine advertising

Description: The study answers the question whether to allow and to not allow the use of search engine advertising in affiliate marketing.

Introduction
Affiliate marketing refers to the transference of sales partnerships to the online channel. Basically, it is the online promoting of a partnered company’s goods and services and consequently receiving commissions from subsequent sales (Hoffman/Novak 2000). Thus, in this online relationship, a so-called merchant (advertiser) pays the affiliate (publisher) a commission to redirect potential consumers to the merchant’s website (Libai et al. 2003). Affiliate marketing is a prominent, contemporary type of performance-based marketing (Dwivedi et al. 2017). Although, researchers have analyzed, for example, trust (Gregori et al. 2014; Haq 2012), different product categories (Papatla/Bhatnagar 2002; Brear/Barnes 2008), control mechanisms and contract designs (Fox/Wareham 2010; Gilliland/Rudd 2013), as well as fraudulent affiliate behavior (Edelman/Brandi 2015; Snyder/Kanich 2016), the overall research on affiliate marketing is still limited (Dwivedi et al. 2017).

In particular, research has neglected the potential use of search engine advertising by affiliates in these sales partnerships. The present study addresses this question by analyzing the effects of search engine advertising in affiliate marketing from the perspective of both the affiliate and the merchant. This study thus responds to the call for more research in affiliate marketing (Dwivedi et al. 2017) and adds to the increasingly relevant topic of multichannel marketing—explicitly considering affiliate marketing (Chiou/Tucker 2012; Olbrich et al. 2018). Thereby, this research also answers the question if the dominantly prohibited use of search engine advertising in affiliate marketing restricts the full potential of this business model.

Related Literature
In contrast to affiliate marketing, search engine advertising has been the subject of considerable research interest. Researchers have investigated search behavior (Jerath et al. 2014; Joachims et al. 2007), aspects of auction mechanisms (Edelman et al. 2007; Varian 2007), keyword generation and selection (Klapdor et al. 2014; Qiao et al. 2017), click fraud (Kshetri 2010; Wilbur/Zhu 2009), and the integration of...
search engine advertising into the marketing mix (Chandrasekaran et al. 2018; Joo et al. 2016; Olbrich/Schultz 2014; Wiesel et al. 2011). Schultz (2016) for example provides a deeper literature review on search engine advertising. The present study is in particular related to the integration of search engine advertising into the marketing mix, explicitly to its use in the context of affiliate marketing.

The parallel use of multiple forms of online advertising has recently been addressed from the customer journey perspective (Anderl et al. 2016; Li/Kannan 2014). Here, affiliate marketing is mentioned as one potential online channel (Anderl et al. 2016; Klapdor et al. 2015). For example, blogs are mentioned as one potential affiliate partner while analyzing multichannel behavior to predict online transactions (Klapdor et al., 2015). Few studies have addressed affiliate marketing and other online instruments (Olbrich et al. 2018; Yang et al. 2016). Affiliation, conversation, and responsiveness as three types of brand engagement in social media, positively affect click-through rates and conversion rates. Further, social media engagement is a moderator variable affecting the relationship between search advertisement rank and click-through rate as well as conversion rate (Yang et al., 2016). Olbrich et al. (2018) analyze the used ad media, commission amount, length of partnership, and business focus as affiliate marketing campaign variables in regard to whether an affiliate uses social media. The results suggest that microblogging social media activities of affiliates positively affect the number of ad impressions and to a lesser extent the number of affiliate leads (Olbrich et al. 2018).

Research has paid more attention to other online marketing instruments in combination with search engine advertising (Chandrasekaran et al. 2018; Dinnen et al. 2014; Joo et al. 2016; Naik/Peters 2009; Pfeiffer/Zinnbauer 2010; Olbrich/Schultz 2014; Wiesel et al. 2011; Zenetti et al. 2014). Search engine advertising is effective in driving offline sales, due to targeting consumers who are further along the purchase decision process (Dinnen et al., 2014). In a comparative study, search engine advertising was found to create four times the number of online registrations of print advertising — given identical spending. Search engine advertising also outperformed television in creating signups which produced relevant revenue increases (Pfeiffer and Zinnbauer, 2010). Search engine advertising yielded 17 times more profit than the most effective offline activity in a case of office furniture (Wiesel et al., 2011). In this case, search engine advertising yielded 73% of its profit from offline orders. In a study of a car manufacturer, Naik and Peters (2009) reported intra-media and inter-media synergies. Wiesel et al. (2011) found that offline marketing (flyers and fax) may affect the online funnel metrics and that the online funnel metrics significantly affect the offline funnel. In a combined survey and experimental design for multime-

This study extends these lines of research by analyzing the effects of search engine advertising in affiliate marketing from both sides of the affiliate-merchant partnership. Research on effects between these instruments is very scarce. The probability of a conversion increases, for example, if users become aware of a merchant through an affiliate website before conducting an online search (Klapdor et al., 2015). Chiou and Tucker (2012) examine changes in merchants’ click-through rates when affiliates include the merchant brand in their search engine advertisements. If more affiliates use such a branded ad, then advertising clutter increases. The resulting spillover effects predominantly lead to an increase in clicks on the organic search results of the merchants. Also, when linking affiliate marketing and search engines, a greater number of affiliates results in a higher organic ranking of the merchant on the search engine result page (Janssen/van Heck 2007). Furthermore, trust towards affiliates increases when their organic search results are placed among the top five results on the search engine result page (Gregori et al. 2014).

**Preliminary Study**

A preliminary study was performed to illustrate the practice of search engine advertising in affiliate marketing. From the two affiliate networks Affilinet and Webgains (registered in April 2018), 1,961 affiliate marketing campaigns were analyzed if these campaigns allow the use of search engine advertising. 1,002 (51.1%) listed affiliate marketing campaigns prohibit the use of search engine advertising. In contrast, search engine advertising is outright allowed in 83 (4.2%) cases to attract potential prospects. In 205 (10.5%) campaigns, affiliates may request the use of search engine advertising from merchants. 671 (34.2%) campaigns allow a restricted use of search engine advertising. These restrictions are different in both affiliate networks. 561 out of these 671 campaigns stem from Affilinet who follows a strict restricted use. Merchants prohibit brand bidding that is the practice of affiliates selecting brand names as keywords in search
engine advertising. Affiliates are also not allowed to use corresponding brand names in the search engine advertisements. Additionally, the search engine advertisements may not directly link to the partnered merchant. 110 out of the 671 restrictive search engine advertising campaigns are from Webgains whose restriction only refers to brand bidding. Naturally, merchants may further impose individual rules on their affiliates.

Affiliate Perspective on Search Engine Advertising in Affiliate Marketing

The Case of a Single Merchant

From the perspective of an affiliate, the question of whether to employ search engine advertising in affiliate marketing is based on the advertising spend through click prices in comparison to the commission amount received from the merchant. Liu and Viswanathan (2014) compare online pricing schemes and provide a good introduction to the difference of traditional pay per mille and pay for performance schemes. For any given period, the search engine advertising spend $C_S$ results from the number of ad impressions $I$ times its click probability (click-through rate) $ctr$ times its average click price (cost per click) $cpc$ (Schultz 2018). The commission amount $R_S$ is a result of the commission amount per sale $r$ times the number of sales generated. The number of sales depends on the number of clicks ($I \cdot ctr$) and the average probability to convert on the target website (conversion rate) $cr$. Consequently, for an affiliate using search engine advertising in affiliate marketing, the average cost per click $cpc$ needs to be lower or equal than the sale commission $r$ times the average conversion rate $cr$.

\[
C_S = I \cdot ctr \cdot cpc \leq I \cdot ctr \cdot cr \cdot r = R_S
\]

\[
\text{cpc} \leq \text{cr} \cdot r
\]

Regarding the number advertising impressions, there are two things to note. First, search volume is finite. Second, demand related to search volume underlies diminishing returns. As search volume increases, precision of search intention decreases and consequently click-through decreases whereas cost per click is likely to increase.

As this comparison focuses on the use of search engine advertising in affiliate marketing, it neglects effects on the underlying affiliate marketing campaign and thus effects of cannibalization. For example, the search engine advertisements may reach the same people as the affiliate website, thus resulting in an overlap in the target group. Let $S_T$ denote the total number of sales generated by an affiliate. Correspondingly, $S_A$ and $S_S$ represent the number of sales through the affiliate’s affiliate marketing and search engine advertising activities respectively. The activities differ in number of impressions and click and conversion probability. Hereby,
we extend the denotation for search engine advertising (indicated by subscript S) to affiliate marketing (subscript A).

\[ S_T = S_A + S_S = I_A \cdot ctr_A \cdot cr_A + I_S \cdot ctr_S \cdot cr_S \]

The number of sales now generated by search engine advertising instead of affiliate marketing activities is denoted as \( S_A \). \( S_A \) creates an opportunity loss. Consequently, the additional use of search engine advertising should still outweigh the results of affiliate marketing activities without search engine advertising. Thus, the overall return \( S_T \cdot r \) including the advertising spend for \( S_A \) should exceed the return without search engine advertising activities \( S_A \cdot r \). From the comparative perspective, \( S_A \) includes \( S_A \).

\[ S_T \cdot r - \frac{S_A}{cpc} \cdot cpc \geq S_A \cdot r \]

### The Case of Multiple Merchants

Including multiple merchants in the scenario, the evaluation of the affiliate does not change considerably from equation 3 for every single merchant. The affiliate \( p \) decides for every merchant \( m \) whether to use search engine advertising in the partnership. Consequently, the total return \( R_{T,p} \) of the affiliate \( p \) equals the sum of the return for every merchant \( m \).

\[ R_{T,p} = \sum_{m} \max \left( S_{T,m} \cdot r_m - \frac{S_{A,m}}{cpc_m} \cdot cpc_m \right) \]

Equation 4 implicitly includes potential gains and losses in a single affiliate-merchant-partnership due to the additional affiliate-merchant-partnerships. The equation neglects spillover effects resulting from search engine advertising to other (and multiple) merchants.

Further, the activities of the affiliate are limited by its reach. Hence, demand is spread across the number of merchants partnered. The response curve is upper bound and follows traditional advertising, for example, reversed exponentially or \( s \)-shaped, curves. Since the affiliate reach is limited, the affiliate has to select its portfolio of merchants, so that it maximizes its expected return. Neglecting the overlap between merchants, an affiliate may use the expected return of its affiliate marketing activities for each merchant \( m \)

\[ I_{A,m} \cdot ctr_{A,m} \cdot cr_{A,m} \cdot r_m \]

as a heuristic to determine the most profitable merchants (Liu/Viswanathan 2014). Even for very similar merchants, equal click and conversion probabilities are strong assumptions (Schultz 2018). Merchants generally compete for the attention of the affiliate’s target group. However, an increasing number of merchants may also complement the affiliate’s business model, for example in case of comparison and information portals. From a portfolio perspective, affiliates may balance the number of merchants in regard of return and risk management.

### Merchant Perspective on Search Engine Advertising in Affiliate Marketing

#### The Case of a Single Affiliate

As introduced, from the perspective of a merchant, the decision to include affiliates and allow the use of search engine advertising seems trivial at first: Merchants set their commission \( r_m \) below their transactional (unit) contribution margin \( u_m \) and every sale adds to the overall revenue. Thereby, we assume that merchants can satisfy the induced demand—generally true for digital goods but production volume is limited for other types of products and services. For the merchant, the revenue from affiliate marketing \( U_M \) thus equals the number of sales generated \( S_{T,p} \) by the affiliate \( p \) times the difference between the contribution margin \( u_m \) and the paid commission \( r_m \).

\[ U_M = S_{T,p} \cdot (u_m - r_m) \]

Equation 5 however neglects that affiliates potentially cannibalize sales of the merchant. The number of sales that would have occurred without the affiliate \( p \) is denoted as \( S_{A,p} \). \( S_{T,p} \) includes \( S_{A,p} \). Consequently, the revenue from the affiliate-marketing-relationship \( U_M \) needs to at least equal the additional advertising spend \( S_{A,p} \cdot r_m \) in the long term.

\[ U_M = S_{T,p} \cdot (u_m - r_m) \geq S_{A,p} \cdot r_m \]

In this first scenario (5a and 5b), the merchant does not use search engine advertising. If a merchant, however, uses search engine advertising parallel with an affiliate, the interdependence between merchant and affiliate activities increases. The effect of affiliate marketing on the search engine ranking is negligible in highly competitive markets (Janssen/van Heck 2007). However, part of the merchant’s reach generated by search engine advertising is absorbed by the search engine advertising activities of the affiliate. The resulting difference in sales is denoted as \( S_{A,p} \) and the corresponding clicks as \( I_d \cdot ctr_d \). Please note that this study assumes no loss in the number of clicks. From the merchant perspective, the advertising spend saved for search engine advertising has to be compared to the advertising spend for affiliate marketing. This can be formulated using equations 1a and 3. Note that the inequality sign changes from the merchant perspective: the left (larger) side represents the merchant’s savings whereas the right (smaller) side represents the advertising spend.

\[ \frac{S_{A,p}}{cpc_m} \cdot cpc_m = I_d \cdot ctr_d \cdot cpc_m \geq I_d \cdot ctr_d \cdot cr_p \cdot r_m \]

Whether the conversion for the merchant equals the conversion rate for the affiliate is up for discussion. If the affiliate may only direct interest towards her own website, as suggested by some restricted use of search engine advertising
(see section 3), then $cr_p < cr_m$ from the merchant’s point of view, since a prospect would have to click on the corresponding ad media on the affiliate website to reach the merchant website. Considering in a brief digression, the perspective of an affiliate, the use of reaching out to potential prospects is still beneficial if, for example, cost per click is comparatively low or the affiliate serves multiple merchants.

From the perspective of a merchant, the affiliate–merchant relationship should satisfy equations 5b and 6 considering an affiliate’s use of search engine advertising.

**The Case of Multiple Affiliates**

Following a similar thought process as in section 4.2.2, the addition of multiple affiliates does not considerably change the evaluation of every single affiliate. Merchant $m$ decides for every affiliate $p$ whether to enter an affiliate-merchant-relationship. The total revenue of merchant $m$ from affiliate marketing $U_{M,m}$ equals the sum of the revenue for every affiliate $p$.

$$U_{M,m} = \sum_p S_{\delta,p} \cdot (um_{M,m} - rm_{M,m}) \tag{7}$$

As stated in 5b, every affiliate-merchant-partnership should exceed $S_{\delta,p} \cdot rm_{M,m}$.

The question whether affiliates are allowed to use search engine advertising is determined a priory according to the preliminary study. In the preliminary study (see section 3), the question of search engine advertising was answered in 89.5% upfront, whereas 10.5% campaigns made the use of search engine advertising an option on request. From the single merchant perspective, the choice should, however, be based on the condition in equation 6. Further, if an affiliate partners with only one merchant, the affiliate’s use of search engine advertising takes up additional advertising space on search engine result pages—contributing to the performance of the merchant by displacing competition. Please note the assumption that for any given keyword competition in search engine advertising is high, otherwise, the reasoning reverts to the condition in equation 6. The merchant’s evaluation, however, changes considerably if affiliates partner with multiple merchants.

**Consolidating the Affiliate and Merchant Perspective**

Considering multiple affiliates and merchants presents a competitive environment for any affiliate or merchant. From the affiliate perspective, she now competes with other potential partners about the attention of the merchant’s target group. Consequently, merchants who partner with many affiliates are less attractive from the affiliate’s point of view because the potential overlap between affiliates may reduce the return of the single affiliate. Consequently, the expected value of equation 2 decreases.

However, if an affiliate herself partners a number of merchants, the option to use search engine advertising increases the attractiveness of a potential merchant considering spillover effects from search engine advertising to multiple affiliate marketing campaigns. This should still satisfy equation 3.

From a merchant’s perspective, the use of search engine advertising by affiliates, however, is less attractive if potential prospects spill over to competing merchants. Such effects result in fewer sales. If these sales were attributed to $S_{\delta,p}$ (sales occurring without affiliate $p$) and $S_{d,p}$ (sales from search engine advertising without affiliate $p$ search engine advertising), the diminished return also leads to loss of revenue $U_{M,m}$.

The shift away from the focal merchant may be compensated by for example additional demand created through other affiliate-merchant-relationships incorporating search engine advertising. Furthermore, the additional advertisement by the affiliate on the search engine result page may redirect traffic from competing merchants towards both the focal merchant and affiliate (Chiou/Tucker 2012). Thus, occupying more relevant advertising space may compensate demand lost by the affiliate search engine advertising activities with demand gained by displacement of competing merchants on the search engine result pages. Consequently, a merchant has to consider both effects whether to allow the use of search engine advertising by affiliates.

**Implications and Conclusions**

From the perspective of affiliate and merchant, the use of search engine advertising in affiliate marketing was analyzed. This study is the first to address this situation and thus contribute to the multichannel affiliate marketing literature. Whereas the evaluation for affiliates results in a comparison between advertising spend and earnings through commissions, the assessment whether to allow search engine advertising from the merchant’s perspective is more complex. Merchants need to consider spillover effects and potential benefits on the search engine results pages. The complexity partly explains the prohibited use of search engine advertising. Further, it reveals room for improvement to tap into the full potential of affiliate marketing.

For example, in contrast to the restrictions in one affiliate marketing, affiliates should directly link a merchant’s website (product/service) in their search engine advertisements. Further, affiliates with few merchants partnered should consider using search engine advertising. Similarly, merchants who are either market leaders or in less competitive markets
should allow search engine advertising if the danger of prospect migration is low.

The analysis is performed from a primary static perspective. It follows the dominant sale-based commission model without quantity-oriented scaling and is in accordance with the dominant competitive structure in search engine advertising. Further research may extend this research towards a dynamic perspective. One potential avenue for future research is to inspect the dynamic behavior in this situation and how personal relationships may affect these dynamics—comparable to personal selling.

Additionally, future research may address this situation in different industries. Similarly, do these results differ for companies with varying levels of negotiating power? Further research may also investigate at the product-firm level to provide insights about advertising for each product or service of a company. These directions may further contribute to the presented theoretical and managerial implications.

References


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App-rooming, a cross-channel shopping behavior that involves customers’ conducting in-app product research before visiting stores to make purchases, has increased in popularity in the omnichannel shopping context (Chamberlain 2015). App-rooming data provide retailers with real-time contextual information on customers’ search behaviors and shopping intentions, which enables store-first retailers to send relevant targeted ads to drive foot traffic to their stores (App Annie 2016). Many store-first retailing firms are now targeting app-roomers with ads to attract store-visits and increase in-store purchases. Business practitioners targeting app-roomers widely adopt two strategies: pushing informative product ads (TAR) or pushing product ads containing financial incentives (TAR with incentive) (eMarketer 2016; Mehra, Kumar, and Raju 2017).

Home Depot targets purchase-intent rich app-roomers with ads of popular product categories to drive purchases (Google 2016). Macy’s sends coupons and promotion incentives to app-roomers who walk into their stores (MediaMath 2016). Moreover, the retailer also enables app-roomers to search for product inventory on their mobile app to encourage omnichannel shopping at stores (AdAge 2014). Similarly, Target sends discount coupons to app-roomers in order to attract and increase in-store purchases (StarTribune 2015). Despite the widespread prevalence of targeting app-roomers with ads or incentives, it remains unclear whether targeting customers at app-rooming moments is indeed efficacious.

Based on a large-scale field experiment with a leading Japanese lifestyle retailer, we propose and test a conceptual framework about the effect of TAR and TAR with incentive on driving purchases. In this experiment, app-roomers are randomly selected when they log on the app. They receive one of the two types of targeted app-rooming ads, informative product ad or informative product ad with financial incentive, via in-app push notifications at two app-rooming moments (shallow app-rooming, when they have general broad-level purchase interests, or deep app-rooming, when they have specific narrow-level purchase interests). We also include holdout groups that do not receive any marketing interventions during their app-rooming experience to serve as the counterfactual baseline. This counterfactual baseline enables us to gauge the genuinely incremental effect of each treatment.

Grounded on reactance theory, we posit that app-roomers consider mobiles to be personal devices and find targeted ads triggered during interactions with the app to be intrusive leading to ad-avoidance behaviors. This reactance is mostly from omnichannel shoppers, who use mobile apps more frequently, have higher prior interaction with brand touchpoints, and have more personal information stored on the device than single channel shoppers. Moreover, omnichannel shoppers, having had more interactions with the brand across shopping channels and being more familiar with targeted ads are able to easily identify the relevance of such ads.
ads. When they have concrete intentions to purchase specific products, they may consider nonincentivized targeted ads to be less useful, more intrusive, and are therefore less likely to be persuaded by them. Thus, targeting app-roomers with informative product ad (TAR) will have stronger negative effect for omnichannel shoppers than single-channel shoppers on purchase intentions. The negative effect of such TAR is more salient for omnichannel shoppers at deep-rooming moments, when they have concrete mindset for purchasing specific products. On the contrary, targeting app-roomers with incentives that provide financial benefits in addition to pure information will have a positive impact on their purchases. This positive effect will be more salient for omnichannel shoppers as they interact with more brand touchpoints, make more purchases than single-channel shoppers, and are therefore more likely to find incentives useful. Moreover, the positive effect of TAR with incentives will be more salient for omnichannel shoppers with less concrete mindset at shallow app-rooming moments; they have higher brand familiarity and face lesser purchase uncertainty than single-channel shoppers at similar moments.

Our research fits the general umbrella of research on advertising and targeting promotions in the marketing and management disciplines and contributes to the burgeoning stream of literature on cross-channel marketing and omnichannel marketing. Our current findings and explanatory mechanism extend the literature on omnichannel shopping in several ways.

First, this research focuses on app-rooming, which is an emerging omnichannel phenomenon that urges academic research to bring scientific insights. Omnichannel shopping has been discussed from different perspectives. Prior studies note the economic impact of omnichannel shopping such as the transaction costs of online and offline channels (Bakos 2001; Bell, Ho, and Tang 1998; Betancourt 2004; Chintagunta, Chu, and Cebollada 2012) and pricing strategies in different channels and market competition (Ofek, Katona, and Sarvary 2011). There are also studies discussing relevant cross-channel operations topics, such as channel mitigation and product fit (Avery et al. 2012; Chang, Zhang, and Neslin 2016), channel management and store operation (Bell, Gallino, and Moreno 2017, 2014; Gao and Su 2017), value creation in digital channels (Amit and Zott 2001), and competitive strategy of store-first retailers to counter show-rooming (Mehra, Kumar, and Raju 2017). A steadily growing stream of literature also explores the essence of omnichannel marketing, such as factors that influence customer channel adoption (Venkatesan, Kumar, and Ravisanker 2007), understanding of research shopper phenomenon in multichannel shopping contexts (Verhoef, Neslin, and Vroomen 2007), segments for multichannel shoppers (Konuş, Verhoef, and Neslin 2008), the moderating role of product category fit on multichannel shoppers’ spending (Kushwaha and Shankar 2013), development from multichannel to omnichannel shopping (Verhoef, Kannan, and Inman 2015), cross-channel effects of different types of advertisements (Dinner, Van Heerde, and Neslin 2014), and marketing strategies for inducing multichannel buying (Montaguti, Neslin, and Valentini 2016). Our research focuses on the new trend of app-rooming in the omnichannel shopping context on mobile devices and explores the potential business impact of targeting app-rooming shoppers with ads or incentives. Our findings indicate that improperly targeted ads could negatively impact omnichannel shoppers purchases due to reactance to intrusive TAR.

Second, our research contributes to studies seeking to understand customers’ responses to cross-channel promotion targeting efforts. Extant research explicitly points out the difference between online and offline shopping: brick-and-mortar retail stores offer unique in-person touch and feel experiences that reduce the purchase risk and provide instant gratification, whereas online shopping offers customers broader product assortments and 24-hour availability (Avery et al. 2012; Brynjolfsson, Hu, and Rahman 2013). Current studies tend to focus mostly on the spillover effects from online advertising to offline purchases (Danaher and Dagger 2013; Lewis and Reiley 2014; Lobschat, Osinga, and Reinartz 2017; Montaguti, Neslin, and Valentini 2016). However, little is known about how customers respond to ads targeted to app-rooming behaviors. As customers engage in omnichannel shopping, their purchase behaviors, enabled by seamless switches across channels for search and purchases, become more sophisticated. Our current paper builds up on this literature by disentangling the reactance to targeted in-app ads via shoppers’ channel preferences and app-rooming moments. Our analyses indicate that targeting app-roomers is not always good; it may hurt the business by eliciting feelings of reactance from omnichannel shoppers at certain app-rooming moments.

Our findings have nontrivial managerial implications for store-first retailers who attempt to target app-rooming customers with ads to increase in-store foot traffic and convert shopping intent to purchase actions. We show that targeting app-roomers with informative product ad or incentives is efficacious only when targeted at the right app-rooming moment and to the right shopper type. Specifically, our analyses reveal that omnichannel shoppers at deep-rooming moments are very sensitive to ads without incentives and react negatively, compared to single channel shoppers at deep-rooming moments. However, omnichannel shoppers at shallow-rooming moments respond better to incentives than single channel shoppers at shallow-rooming moments. Thus, managers should not annoy omnichannel deep-roomers with nonincentivized ads or waste financial incentives on single
channel deep-roomers. Instead, they should target incentives to omnichannel shopper at shallow-rooming moments.

Hypothesis Development

Mobiles are considered as private devices as they record detailed activities of usage and store many personal data such as user name, password, and product wish list. Targeting mobile users with promotional information (such as TAR) that does not offer high utilitarian value when they interact with a shopping app may elicit concerns of privacy invasion and perceptions of intrusiveness, leading to feelings of annoyance or irritation and finally, ad-avoidance behaviors, thus reducing the efficacy of advertising (Bauer and Greyser 1968; Aaker and Bruzzone 1985; Edwards et al. 2002). Compared with offline shoppers who use mobile only for product search, omnichannel shoppers who conduct purchases from both offline stores and mobile app will have more information stored with the mobile app, for example, payment info and shipping address, and therefore have stronger reactions to privacy violations. Thus, omnichannel shoppers may have stronger reactance towards TAR (H1a). Moreover, the perceived intrusiveness of the ad is also dependent on the utilitarian value of the and relevance to the receivers (Edwards et al. 2002). Targeting ads could be considered annoying and less relevant if customers are not interested in the ad content or they already have knowledge of the information contained in the ads. Purely informative app ads (such as listings of most popular products) that are commonly pushed by retailers do not provide much utilitarian value to omnichannel shoppers who, having had more interactions and purchase occasions on the app with the brand, are more familiar with app advertising and less interested in receiving purely informative ads. Moreover, they may find targeting ads with general product information to be even more annoying and less useful when they already have specific products in mind for search, such as during deep app-rooming, wherein they become even more familiar with product offerings. Thus app-rooming targeting ads lead to more salient negative effect for omnichannel shoppers during deep-rooming moments (H1b).

On the other hand, extant studies have shown that omnichannel shoppers have higher spending, higher loyalty, and higher purchase frequency (Dinner, Van Heerde, and Neslin 2014; Neslin and Shankar 2009), which indicates that they are likely to find financial incentives benefiting subsequent purchases to be more useful than counterpart offline shoppers. Thus, targeting omnichannel app-roomers with financial incentive has stronger positive effect on driving purchases (H2a). In addition, when customers have general search interests on the app, although they may be more open to considering the info in ads, they may not end up with purchases with various reasons such as travel cost and loyalty. Such costs, however, are less salient for omnichannel shoppers as they have the flexibility to seamlessly search and purchase products through mobile apps whereas, travel costs could be salient for offline shoppers since they need to consider whether it is worthwhile for visiting stores with given financial incentives. Moreover, omnichannel shoppers have higher purchase loyalty and purchase frequency with the brand, which makes them more willing to take the benefits of the financial value than offline shoppers. At the deep app-rooming level, it is likely that both omni and single channel shoppers will have narrowed their product search, concretized their purchase intentions, and be equally willing to utilize the offered incentive. However, at the shallow-rooming moment, although both omni and single channel shoppers are searching for products at a broad level, single channel shoppers face greater purchase uncertainty as they have less prior interaction with brand’s shopping channels and are less loyal which will reduce their likelihood of utilizing the incentives in comparison to omnichannel shoppers. Therefore, the positive effect of app-rooming ads with financial incentives is stronger for omnichannel shoppers than offline shoppers at shallow-rooming moment (H2b).

Method and Data

The Japanese life-style retail company carries more than 7,000 items ranging from clothing and household goods to food and sells these products at over 700 offline stores worldwide and through its digital channels such as website and mobile app (The focal retailers is like Target in the US.). To better leverage mobile channels to serve its large offline customer base gradually shifting online and improve omnichannel shopping experience, this two-billion-dollar retailer launched its branded shopping app in 2013, which is available for download free of charge on both Android and iOS platforms. The retailer’s app allows customers to read merchandise information, search product inventory status of a specific store, and receive latest news and promotion information, such as coupons.

There are three types of app-rooming customers based on their shopping channel preferences for this retailer: (1) In-store shoppers who use the app for search and browse, but end up purchases only at offline stores; (2) Omnichannel shoppers who use the app for information search and purchase products both from the online website and offline stores; (3) Online shoppers who may use the app for app-rooming and visit stores for showrooming, but only purchase products at the online website. We find the percentage of in-store shoppers and omnichannel shoppers in our app-rooming sample share the similar distribution with the company customer population.

The primary objective of app-rooming targeting efforts for the retailer is to drive in-store purchases. The app-rooming targeting message is sent out by app push notification with
In this section, we analyze the data and examine how app-rooming targeting advertisements affect app-roomers’ subsequent in-store purchase responses operationalized by their posttreatment 1-month spending amount at stores. To estimate the moderating role of app-roomers’ ex ante purchase channel preference on the targeted effect of app-rooming ad, we expand the model by adding independent variable omnichannel shoppers for a dummy value of 1 indicating the customer’s past 1-year spending is both online and in-store and value of 0 for customers who only purchase at stores in the past 1 year. We also include interaction term of omnichannel shoppers with the two treatments and construct new variables Ad * Omnichannel shoppers and Ad + Incentive * Omnichannel shoppers. Our focal interest is the coefficient of the interaction terms. Table 1 reports the results for the moderating role of app-roomers’ purchase channel preferences on the targeted effect of app-rooming ad. The coefficient of Omnichannel shoppers is positive and significant, showing that omnichannel shoppers in general have more store purchase activities than in-store shoppers. The negative and significant coefficient of Ad * Omnichannel shoppers suggests that although app-rooming target with TAR ad in general has no effect on influencing app-roomers’ purchase, it has negative impact on spending from omnichannel shoppers compared with in-store shoppers. On average, omnichannel shoppers’ in-store spending change is ¥JPY 556,804 less than that of in-store shoppers if both received the app-rooming targeting ad without incentive. Given the fact that app-rooming with pure in-store ad is ineffective on driving spending from offline shoppers, the negative coefficient of Ad * Omnichannel shopper suggests a backfire effect on the spending of omnichannel shoppers caused by the stronger reactance to TAR. The positive and significant coefficient of Ad + Incentive * Omnichannel shoppers indicates that the positive effect of app-rooming targeting with incentive has stronger impact for omnichannel shoppers than in-store shoppers. Omnichannel shoppers’ in-store spending lift is ¥JPY 605,034 more than that of in-store shoppers if both received the app-rooming targeting with incentive.

The Moderating Role of App-rooming moments on App-rooming Ad Effect

We explore at which mobile moment the negative effect of app-rooming targeting ad is more salient. If the negative effect is indeed caused by the intrusiveness of the ad, we should expect the effect is more pronounced at deep app-rooming moments for the following reasons. First, app-roomers at deep app-rooming moment have formed concrete purchase interest to specific products and sending a general product collection information provide irrelevant information that may annoy customers. Second, omnichannel shoppers at deep app-rooming moment might value more about the privacy about their mobile purchase intention. Thus, the intrusiveness of targeting ad could be stronger for omnichannel shoppers. To support our argument, we split the dataset by the mobile moment the ad was sent and re-run the model estimation. The results indicate that the coefficient of Ad * Omnichannel shoppers is negative and statistically significant, suggesting that targeting omnichannel shoppers at deep app-rooming moments creates higher valence of reactance to the in-store exclusive ad that induces for store visits. Whereas the coefficient of Ad * Omnichannel shoppers is insignificant at shallow app-rooming moment.
Key Contributions
Despite the popularity of online shopping, more buying journeys still end at the brick-and-mortar stores because of the advantages for customers to tangibly touch and feel experiential products, make personal contact with sales team and process returns or exchanges (Bell, Gallino, and Moreno 2017; eMarketer 2018). The surging application of mobile app in omnichannel shopping urges retailers to review the value of brick and mortar stores and explore business synergy across channels. The recent moves of Amazon for the acquisition of Whole Food and opening of Amazon Go stores emphasize the online mogul’s ambition for offline retailing. Whereas, in the turbulent retail environment, offline retailers with online presence are still struggling to come out effective marketing strategies that could optimize efforts to drive sales across channels. In this paper, we collaborate with one of the largest retailers in Japan for a novel field experiment to explore app-rooming targeting strategies for different types of app-roomers based on their ex ante purchase channel preferences.

Our findings and underlying mechanism through which app-rooming targeting ad works are nontrivial to both academia and industry. We extend the research from multichannel shopping to omnichannel shopping by exploring the new phenomenon of app-rooming when customers show interests for product research and store visits. We examine the effect of app-rooming targeting with different strategies (ad only and ad + incentive) and disentangle the effect for different types of app-roomers. We not only analyze the targeted effect of app-rooming ad on in-store purchases, but also explore the spillover effect on online purchases.

Our findings suggest that app-rooming targeting needs to be precise and it might have negative consequences if applied to the wrong shopper at the wrong time. TAR, in general, creates reactance from omnichannel shoppers who have higher brand familiarity and enjoy the convenience and seamless experience from purchases at both online and at stores. This negative reactance is further exacerbated when TAR is targeted to omnichannel shoppers at the deep-rooming moment. Moreover, TAR with incentive has stronger positive effect on omnichannel app-roomers at shallow app-rooming moments.

Our findings have nontrivial managerial implications for store-first retailers who attempt to target app-rooming customers with ads to increase in-store foot traffic and convert shopping intent to purchase actions. We show that targeting app-roomers with informative product ad or incentives is efficacious only when targeted at the right app-rooming moment and to the right shopper type. Specifically, our analyses reveal that omnichannel shoppers at deep-rooming moments are very sensitive to ads without incentives and react negatively, compared to single channel shoppers at deep-rooming moments. However, omnichannel shoppers at shallow-rooming moments respond better to incentives than single channel shoppers at shallow-rooming moments. Thus, managers should not annoy omnichannel deep-roomers with nonincentivized ads or waste financial incentives on single channel deep-roomers. Instead, they should target incentives to omnichannel shopper at shallow-rooming moments.

This paper has some limitations that could motivate further research. First, our study focuses on two incentive levels (none and 200 points), which is the business norm for our corporate partner. We do not have the opportunity to explore whether there is other incentive level that leads to better business performance. Additional studies examining optimal incentive level on driving sales could be a useful contribution. A second limitation is about the instant effect of app-rooming targeting on in-app purchases. Our corporate partner merges in-app purchases with online purchases, which limits our understanding of how app-rooming targeting could influence in-app purchases. Future research could explore other dataset that specifically focus on in-app purchase and examine app-rooming targeting instant effect on in-app purchases.

In conclusion, this paper serves as an initial step in exploring the effects of app-rooming targeting ad and understanding the underlying mechanisms in omnichannel shopping context. We hope it can stimulate more scholarly works on these important topics of mobile targeting and promotion in omnichannel shopping.

References are available on request.

Acknowledgement: The authors gratefully acknowledge the anonymous company for sponsoring the field experiment.
The Era of Emoji Marketing: Strengthening the Consumer-Brand Relationship

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Keywords: emojis, consumer brand relationships, self-brand connections, anthropomorphism

Description: In this research, we argue and find that the emotions conveyed by emojis help improve brands’ online communications with important downstream consequences that help strengthen the consumer-brand relationship by allowing brands to enhance consumers’ self-brand connections.

EXTENDED ABSTRACT

Brands communicate and engage directly with their consumers using online communications that often contain emojis. While emerging studies have begun to examine the influence of emojis within a marketing context, yet to understand is the influence of emojis on the consumer-brand relationship. In this research, we argue that the emotions conveyed by emojis improve brand communications with important downstream consequences that help strengthen the consumer-brand dyad. Across three studies, we find that brands that use emojis in online communications are perceived as more human, and thus enhances consumers’ self-brand connections. Findings from this research contribute to marketing theory by providing a comprehensive understanding of the influence of emoji marketing on the consumer-brand relationship. Results derived from this study will also allow marketing managers to strategically plan online brand communications to help cultivate the consumer asset by driving connections and nurturing a positive relationship between consumer and brand.

Research Question
In this research study, we seek answers to the following questions: first, does the use of emoji marketing affect the brand’s relationship with the consumer? If so, why and under which circumstances does emoji use lead to stronger consumer-brand connections?

Method and Data

Behavioral Study
Participants completed a cupcake taste test. Cupcakes were served on a white plate (no emoji condition), or on an emoji-themed plate (emoji condition). Results showed marginally significant effect of emojis on attitudes (M_emoji = 5.81, SD = 1.16, M_no-emoji = 5.22, SD = 1.70; F(1, 79) = 3.30, p = .073).

Study 1
Participants completed self-brand connection measures after being presented with an Adidas social media post in a single factor, two-level (emoji versus no emoji) between-subjects design. Findings revealed a significant effect of emojis on self-brand connections (M_emoji = 4.31, SD = 1.34, M_no-emoji = 3.83, SD = 1.31; F(1, 124) = 4.08, p = .046).

Study 2
Participants completed self-brand connection measures after being presented with a Starbucks social media post in a single factor, two-level (emoji versus no emoji) between-subjects design. A one-way ANOVA controlling for mood, brand familiarity and purchase frequency, showed a significant effect of emoji on self-brand connections (M_emoji = 4.45, SD = 1.27, M_no-emoji = 3.98, SD = 1.39; F(1, 143) = 7.60, p = .007). Further mediation analysis confirmed anthropomorphism as mediator of the effects of emojis on...
self-brand connection (β = .265, SE = .13, 95% CI = .038 to .542).

**Summary of Findings**

Across three studies, including a behavioral analysis, we demonstrate that the use of emojis in brand communications can help strengthen the consumer-brand relationship compared to brand communications that only contain text, and find that anthropomorphism mediates this process.

This research extends the study of emojis by examining the emotional attachment that brands can build when using emojis in their textual communications. Results from the present study support our prediction that brand communications that include emojis in addition to text (compared to only text) will increase brand anthropomorphism, which will translate into stronger self-brand connections, an indicator of consumer-brand relationship strength. Consequently, these findings suggest a positive influence of emojis on the consumer-brand relationship and provide marketing decision-makers with the knowledge to devise online strategies that will improve the dynamics of the consumer brand dyad in online settings.

**Key Contributions**

Our daily interactions with other people include communication in the form of verbal (written and spoken) and non-verbal (mannerisms and expressions) language to relay messages that are charged with information and emotions. In the digital world, the use of verbal, text-based communication is predominant, and thus while informational it lacks nonverbal cues, which help convey emotions. Emojis are pictorial representations of emotions and objects, which help clarify textual communication in online and mobile contexts. We argue that adding emojis to brand’s text-based communications will enhance consumer-brand connections, which is an indicator of the consumer-brand relationship’s strength. In accordance with our predictions and findings, this effect is due to emojis increasing perceptions of the brand’s anthropomorphism. Findings from this research contribute to marketing theory by providing a comprehensive understanding of the influence of emoji marketing in online brand settings.

Additionally, this research will allow marketing decision makers to strategically devise online marketing campaigns that optimize the use of emojis to benefit their brand while building stronger relationships with their consumers. For instance, using emojis in brand’s responses to consumers’ comments, as well as in social media posts will clarify information while adding emotions and sentiments that can improve the consumer-brand dynamic.

*References are available on request.*
Does Free Sample Promotion Increase Purchase on Digital Retail Platforms? And How?

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Keywords: field experiment, free sample promotions, online digital retail platforms, experience goods, digital goods, long-term promotion effect.

EXTENDED ABSTRACT

Research Question
Research questions: whether and how the free sample promotion can affect sales for the whole digital platform instead of individual products, in terms of both the immediate and lasting sales effect of the free sample promotion on the digital retail platform.

Method and Data
Field experiment and machine learning

Summary of Findings
Data analysis results reveal that the free sample promotion increases product trial (measured by the number of free chapters browsed) not only at the time of promotion, but also within one month after the promotion. Interestingly, the free sample promotion does not have an instantaneous effect on sales, but it increases consumer purchases (measured by the number of paid chapters read) on the retail platform within one month after the promotion. Moreover, the results support the mechanism of new product discovery: free sample promotion increases the discovery of new products during the promotion, which in turn, drives subsequent product trial and overall purchases on the retail platform. That is, new product discovery plays a mediating role on the positive relationship between free sample promotion and sales. The finding that a free sample promotion leads to a higher level of variety seeking, i.e., product discovery behavior, also extends the literature on variety seeking with “soft” psychological perceptions. Our research helps retailers to better understand the effect on “hard” real-world variety-seeking behaviors in terms of trying, discovering, and purchasing digital products in the retail platform marketplace.

Key Contributions
Our research contributes to the literature in the following ways. First, we study the effect of free sample promotions on overall purchases on the retail platform. The literature has been focused on the promoted products. From a randomized field experiment, we find although free sample promotion does not boost instantaneous sales at the time of promotion, it does drive purchasing on a retail platform shortly after the promotion. Second, we investigate the mechanism by revealing that new product discovery plays a mediating role between free sample promotion and sales. The finding that a free sample promotion leads to a higher level of variety seeking, i.e., product discovery behavior, also extends the literature on variety seeking with “soft” psychological perceptions. Our research helps retailers to better understand the effect on “hard” real-world variety-seeking behaviors in terms of trying, discovering, and purchasing digital products in the retail platform marketplace.

References are available on request.
Does Professional Athletes’ Humility and Activity on Social Media Impact Team and Player Performance? Evidence from National Football League

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Keywords: humility, social media, professional athlete, personal brand and sports team management, National Football League (NFL)

Description: In this paper, we empirically examine the impact of professional athletes’ use of social media on personal and team performance.

EXTENDED ABSTRACT

Research Questions
In recent years, the number of professional athletes who use social media has increased. Through social media platforms, they can communicate with their followers, enlarge their fan base and build their brands. In spite of the positive role of social media as a communication channel between athletes and fans (Williams and Chinn 2010), there is also a concern about the potential interfering effects of professional athletes’ social media activities on their own as well as their team’s performance. The concerns are broad but include simple distractions, disturbances stemming from misbehavior, inappropriate viewpoints, and public criticisms, among others. In this study, we focus on how professional athletes’ humility (or lack thereof) revealed in their social media posts and their social media activity relate to individual player and team performance. Given the prior findings of the positive effect of humility on athletes’ performance (Austin 2014; Tong et al. 2016) and insights from the anecdotal evidence, we propose the following research questions: (1) Are professional athletes who post less humble content likely to have worse individual and team performance? (2) Is there a negative relationship between the number of posts and player performance?

Method and Data
To find insights for our research questions, we collected social media activities and performance-related data for 61 football players in the 2017 NFL regular season of 17 weeks. The players were randomly selected from a pool of wide receivers and running backs. We assemble a unique dataset compiled from several sources. For the players’ social media posting, we used three major social media platforms: Facebook, Instagram, and Twitter. We tracked and recorded the players’ posts by monitoring the platforms during two days prior to and one day after the game day and extracted information such as posting contents, time, and number of likes. Subsequently, three coders judged each posting based on the humility scale adapted from Rowatt et al.’s (2006) semantic differential items: (1) arrogant/humble, (2) immodest/modest, (3) egotistical/not self-centered, (4) disrespectful to team/respectful to team, and (5) disrespectful in general/respectful in general. The coders went through several trainings to ensure they understand the task and to calibrate the interpretation of humility within posts. For the players’ and the teams’ performance-related data, we used the NFL Fantasy Football website and collected information in each game. Using our panel data, we esti-
mated random effects model to control for unobserved player-specific heterogeneity.

**Summary of Findings**

Our results show that players who post more humble social media content are more likely to have better individual and team performance than those who post less humble content. More specifically, the average Fantasy Football point increases by about 5.8% for a one unit increase in the Humility scale (at the significance level of 0.01). Hence, we can conclude that professional football players who post more humble content on social media platforms are more likely to perform better in the following game as compared to those who post less humble content. Furthermore, we find that teams consisting of players who post more humble social media content are more likely to have better team performance than those who have players who post less humble content. Lastly, we find that posting volume on one social media platform may result in distraction which negatively impacts performance. Results show that players who post a larger number of Twitter contents in close proximity to the start of a game are more likely to have worse individual and team performance than their peers.

**Key Contributions**

Our study is the first empirical study to qualitatively and quantitatively examine how professional athletes’ social media activities affect individual player and team performance. Our study also provides important implications for professional athletes, team coaches and staff, and sports team managers. The results of this study provide insight on how critical athletes’ social media activity and humility expressed through their social media postings is for subsequent individual player and team performance. Moreover, our findings provide team coaches/staffs and sports team managers with practical implications of player social media use which may encourage them to provide additional social media training to professional athletes.

*References are available on request.*
What Gives “Real-Time Marketing” Its Bite? A Byte of Humor

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Keywords: real-time marketing, synthetic control, virality, firm value, humor, spontaneous chatter.

EXTENDED ABSTRACT

Research Question
RQ1: Is real-time-marketing’s (RTM) underlying promise real? That is, to what extent do RTM activities result in virality (greater number of retweets on digital platforms such as Twitter)?

RQ2: What type of RTM messages are more likely to achieve virality?

RQ3: How if at all does real-time marketing contribute to firm value?

Hypotheses
H1: RTM messages generate greater virality relative to non-RTM messages.

H2: RTM message unanticipation strengthens the positive effect of message humor on virality.

H3: RTM message timeliness strengthens the positive effect of message humor on virality.

H4: RTM message unanticipation strengthens the positive effect of message humor on firm value.

H5: RTM message timeliness strengthens the positive effect of message humor on virality.

Method and Data
We collect two unique sets of data and use three studies to answer these novel and important questions. Study 1 which tests Hypothesis H1 employs the synthetic control method to estimate whether RTM drives virality. Study 2 which tests Hypotheses H2 and H3; and study 3 which tests Hypotheses H4 and H5; both use a unique, hand collected dataset of 462 RTM events across 139 brands over a 6 year period to examine how the content of RTM affects virality and firm value, respectively. The dataset employed for the empirical analyses across the three studies of this research comes from Twitter, one of the major online news and social networking websites.

Summary of Findings
The current study highlights three sets of findings.

Employing synthetic control analyses we show that real-time-marketing messages are more likely to result in communication that goes viral than non-RTM messages. Building on the concept of spontaneous chatter, this study thus theorizes and demonstrates that RTM (vis-à-vis non-RTM) activities are particularly effective in facilitating virality (consumers retweeting online marketing messages by a company). This finding is relevant for any organization, wishing to achieve greater exposure and increasing its visibility to consumers.

We explore what kind of RTM messages are more likely to go viral. More specifically, we assess the role of a RTM message’s humor in driving virality. The findings show that unanticipation boosts the positive effect of a tweet’s humor on virality. In accord with the old saying “the early bird gets the worm,” in social media too we show that the timeliness of RTM messages boosts the positive effect of RTM messages tinged with humor on virality.
We also show that in addition to the potential of going viral, humorous and unanticipated RTM messages, and humorous and timely RTM messages have a significant, positive impact on firm value. The findings point to relevant implications for marketing research and practice, as well as promising avenues for future research.

**Key Contributions**

By studying RTM, we seek to make the following four contributions to the extant marketing literature and practice.

We contribute to the literature on RTM and electronic WOM. We shed light on an understudied phenomenon—RTM, which can play a significant role in generating virality.

We build on the overarching concept of spontaneous chatter for studying the virality of RTM messages. Spontaneous chatter comprehensively captures the elements crucial for exploring RTM messages’ potential for virality, namely the level of humorousness of the RTM messages; and the unanticipated and timely nature in which the message is generated by the firm.

We extend prior research and contribute to the discussion about the role of marketing in driving firm performance by studying how the content of digital marketing messages can capture financial value.

We make a methodological contribution by employing the cutting edge statistical method of synthetic control to explore RTM’s effectiveness in generating virality. Synthetic control is a data driven procedure, which constructs comparison groups in a field or natural experiment setting.

*References are available on request.*
When Consumer Involvement Matters: The Effects of Interactive Music on Consumer Experience and Purchase Intention

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Keywords: interactive music, interactivity, consumer involvement, consumer experience, purchase intention, e-commerce, The Dual-Process Model of Interactivity Effects

EXTENDED ABSTRACT

Research Question
The current study discusses how the adoption of interactive music, as an innovative user interface technique, to e-commerce website design can influence consumer experience and purchase intention. Interactive music refers to a category of audio media where specific user actions lead to alteration in various aspects of music, including tempo, mode, texture, and volume (Winkler, 2001). The effects of interactive music on online consumer behavior can be attributed to both the music and interactivity component. On one hand, music serves as an atmospheric cue to create a more pleasant shopping environment, leading to positive attitudinal and behavioral responses of consumers. On the other hand, former literature suggested interactivity can elicit distinct effects on consumers under high- and low-involvement conditions, depending on whether interactivity serves as a peripheral cue or as a factor that raises the level of elaboration (Liu and Shrum, 2009). Therefore, the current study developed a research interest in the effects of interactive music on (1) consumer experience, as a hedonic attribute, and (2) purchase intention, as a high-elaboration variable. Specifically, as high-involvement consumers are known to pursue a higher extent of shopping enjoyment (Lee and Chang, 2011; Kim et al., 2007) and involve in a higher extent of information processing (Chang and Wildt, 1994; Park et al., 2007), the facilitating effects of interactive music is likely to result in more positive effects on high-involvement consumers. Thus, we propose the following hypotheses for the present study:

H1: For low-involvement consumers, the presence of static background music on the e-commerce website will lead to positive effects on consumer experience (H1a) and purchase intention (H1b).

H2: For high-involvement consumers, the application of interaction music on the e-commerce website will lead to positive effects on consumer experience (H2a) and purchase intention (H2b).

Method and Data
The current study constructed a stimulus e-commerce website to conduct a single-factor experiment with three conditions (the condition with interactive music, the condition with static background music, and the control condition without background music). Specifically, soundtrack layering, a format of interactive music which allows users to layer additional beats and melody to the original soundtrack, (Fraser and Bradford, 2013), is applied to compose the interactive music condition. Self-reported questionnaires collected data from N = 251 respondents. Measurements in the current experiment include: a manipulation check measuring participants’ perceived interactivity, consumer involvement measured by the Personal Involvement Scales by Zaichkowsky (1985), consumer experience measured by twelve scales (good, happy, exciting, satisfying, pleasurable, engaging, relaxing, refreshing, delightful, wonderful, unique, and memorable) (Chang, Cheung, and Lai, 2005), and purchase intention measured by four items asking participants to fill in
blanks indicating (1) the proportion of times (from 0 to 100%) he/she shopped for the brand’s main product category that he/she would shop on the stimulus online store, (2) the amount out of every $100 spent on online shopping that he/she would spend at the stimulus online store, (3) the amount out of every $100 spent on the brand’s main product category that he/she would spend at the stimulus online store, and (4) considering the total amount he/she spent on the brand’s main product category per year, the percentage (from 0 to 100%) that he/she would spend on the stimulus online store (Babin and Attaway, 2000).

**Summary of Findings**

Findings suggest that the use of interactive music in virtual retailing store design can lead to greater consumer experience and higher purchase intention through two unique pathways. When consumers were highly involved, the interactive music condition led to greater consumers experience and purchase intention than its counterparts. In contrast, low-involvement consumers preferred to have static background music, reporting greater consumer experience and purchase intention.

**Key Contributions**

Research findings of the current study contribute to literature by (1) extending the dual process models of persuasion and the Dual-Process Model of Interactivity Effects to explain online consumer experience, (2) addressing the deficiency of scholarly discussion on the effects of interactive music on consumer behavior, and (3) re-emphasizing the importance of applying innovative technology in the current e-commerce environment.

*References are available on request.*
Interactive Effects of Goal-Setting and Reward in Crowdfunding of Technological Innovation

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Keywords: crowdfunding, reward, technological innovation, goal

Description: Goal setting and its interaction with reward organization affect the success of crowdfunding projects.

EXTENDED ABSTRACT

Research Question
• To which extent does project goal directly affect funding success?
• To which extent does pledge amount mediate the relationship between project goal and funding success?
• To which extent the number of total rewards moderate the main effects?
• To which extent does the number of reward levels moderate the moderation effects?

Method and Data
The authors collected data of 674 technological innovation projects from kickstarter.com. They conducted intensive coding work to examine both reward levels and the number of rewards in each crowdfunding project and the number of rewards within each reward level. In total, 134,492 rewards across 4,509 reward levels were recorded.

Summary of Findings
Project goal is found to be a double-edge sword—it positively affects funding success and meanwhile negatively affects such success via pledge amount. This creates a competitive mediation framework in this research.

Key Contributions
The effect of project goal has been explored. In addition, the moderation effect of total rewards has been examined. Total reward enhances the positive relationship between project goal and money pledged. Furthermore, reward level moderates the moderation effect of total rewards. These findings provide practical implications on the design of reward structure for crowdfunding projects.

References are available on request.
The Need for a Community: The Impact of Social Elements on Video Game Success

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EXTENDED ABSTRACT

Research Question
Video games have become tremendously popular. In the United States (US), video game revenue grew from $10.1 billion in 2009 to $24.5 billion in 2016. Two-thirds of all US citizens are playing video games on a regular basis (Entertainment Software Association 2016). Here, research focused on content-related features of the individual video game. Generally, core features (e.g., genre) or characteristics impact heavily the number of owners of a video game (Binken and Stremersch 2009; Cox 2013; Marchand 2016). Nevertheless, the role of recent more important social elements as potential success drivers, e.g., multiplayer and social interactions with other consumers while playing the video game, have been ignored so far. The way video games are consumed by consumers through social media, online forums, and multiplayer features has changed dramatically within the last ten years (Marchand and Hennig-Thurau 2013). Hence, video games are increasingly enjoyed as a collaborative social experience and consumers are keen to discuss and share knowledge about their favorite video games. In summary, those studies focused only on a limited number of potential success drivers of video games. Thus far, no study has provided insights into social interactions as success drivers and adequately addressed management implications to enhance and moderate these social interactions. Thus, this article expands the findings in the field of video games and online communities by taking real-world data from Steam into consideration to derive insights about the relative importance of social features in video games in relation to other core elements known from the literature.

Method and Data
To test our hypotheses empirically, a structural equation model was computed in SmartPLS based on data we collected on 401 video games from Steam, which has 125 million active consumers and is the largest online video game distribution platform. The system offers popular video games as well as features for communication and social interactions among the consumers. Steam is increasingly evolving into a common distribution platform, which therefore enables developers to eliminate the need for a specific publisher. From an empirical point of view, the high quality of the data offers a wide range of analytic approaches. In fact, publishers and developers do not make sales records of video games publicly accessible. For this reason, most of the recent studies (Cox 2013; Marchand 2016) which have examined success drivers of video games have collected data from third-party websites such as vgchartz.com. We argue that if those drivers affect the expectation of consumers and fulfill them, they should influence the satisfaction with a videogame, which in turn should be depicted by the predicted relationships through a market analysis on the number of owners and the average playtime. Unfortunately, it is not possible to check the validity of such data. Therefore, we have collected our data directly from the popular platform Steam (Steam 2018).

Conclusion
The results of our study confirmed our predicted hypotheses. Current technologies and multiplayer features enable social interactions, relationships and communication between consumers from different countries and continents. Our results
confirm the importance of such features for the purchase and re-usage intention. Video games are more than just a product that a user buys at a fixed price and enjoys playing alone or with known friends. Instead, they become more a social experience where people from all over the world play together, communicate and share knowledge. Therefore, future research, as well as management, has to address these potential social success drivers. This is especially important, since user reviews, the number of discussion threads and multiplayer features proved to be the most influential variables in our models.

References are available on request.
Anthropomorphism as a Key Factor for the Successful Acceptance of Digital Voice Assistants?

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Keywords: anthropomorphism, digital voice assistant, technology acceptance, SmartPLS, consumer

EXTENDED ABSTRACT

Research Question
Digital voice assistants, also referred to as conversational agents, are revolutionizing our access to web content and our use of technology, e.g., of smart home devices. The extent to which the interpersonal interactions positively influences the intention to use can be investigated by analyzing the relevance of anthropomorphism. Our study contributes to this relevant topic by investigating humanlike attributes concerning voice assistants as well as by examining relevant factors for the behavioral intention of using voice assistants. In particular, this research contributes to the knowledge by responding to the following research questions: (1) Which role plays anthropomorphism concerning voice assistants? (2) Which factor of anthropomorphism influences the behavioral intention the most? (3) According to the UTAUT2 model, what are in general further relevant factors in the consumers’ behavioral intention of using this technology?

Method and Data
In order to test our hypotheses, we conducted a quantitative online survey. Beforehand, we conducted a pretest to ensure a comprehensibility of the questionnaire. The participants of the main study were divided into general groups as well as groups dealing with technology, smart home or specifically with voice assistants in order to reach participants who have little relation to voice assistants as well as people who are interested in technology or voice assistants. The questionnaire was designed to only include people who have already come into contact with the use of voice assistants, i.e., by own usage or being in presence of usage. Finally, 283 (average age was M = 32.9, 47.1% female, SD = 12.90) participants were acquired, through links in social media as well as in online groups. For testing our hypotheses, we rely on partial least squares (SmartPLS) structural equation modeling.

Summary of the Findings
Our results show that consumers’ behavioral intention in using a digital voice assistant is affected by the factor of anthropomorphism. The tested variables of this phenomenon such as “perceived sociability,” “animacy,” “humanlike-fit” and “likeability” were all highly significant so the established hypotheses can be verified. So, it is clear that voice assistants show human attributes. The results reveal that these traits have a positive impact on how digital voice assistants are perceived. As a result, better perception leads to a greater likelihood which in turn influences the users’ intention to use the technology. Because the relationships of UTAUT2 are common knowledge, we focus our theory and research in this paper on anthropomorphism. Nevertheless, some variables from the UTAUT2 model were investigated as well and, except of “effort expectancy” and “price value,” “hedonic motivation,” “performance expectancy,” and “habit” play an important part.

Key Contributions
The insights from this study entail implication relevant for marketing theory and retail management. The main purpose of the present study was to verify anthropomorphism in the
context of voice assistants, as the research has not yet provided a comprehensive model for use on voice assistants and including the factor of anthropomorphism. The results confirm the predicted hypotheses and substantiate to take the aspects of human characteristics for the actual user behavior in context of voice assistants into account. In summary, anthropomorphism plays a significant role and should be considered by companies as important influential factor and design element of digital assistants. In addition, it highlights some further future research opportunities, such as further research on the interaction with speech based technology. In addition, it would be interesting to differentiate exactly which human qualities are perceived as positive and thus increase the intention and which attributes have a negative impact. Since, to our knowledge, anthropomorphism has so far received little attention in this context, we believe that we can contribute an essential part in the technology acceptance research.

References are available on request.
Virtual Reality Sales Forecasting: Improving Prelaunch Sales Forecasts of Innovative Durables through Virtual Reality

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Keywords: virtual reality, prelaunch sales forecasting, macroflow model, durables

Description: In this study we develop a novel approach to prelaunch sales forecasting of durables incorporating virtual reality technologies.

EXTENDED ABSTRACT

Research Question
Introducing a new durable product\(^1\) to the market is a risky endeavor for firms (Ofek and Turut 2008). For managing these risks, firms rely on various sales forecasts to anticipate future sales prior to the launch (Roggeveen and Johar 2004). However, as Bolton (2003) has noted, firms often fail to accurately predict future sales, mainly because they employ rough judgmental approximations instead of precise sales forecasts.

Research has focused on sales forecasting of innovative durables and provides rich insights. For instance, prior work in this area has developed several models for making accurate sales forecasts for innovative durables, such as diffusion models or utility models (Ozer 1999). However, as Goodwin, Meeran, and Dyussekevena (2014) have shown, the existing accurate forecasting methods can only be applied close to the launch. Hence, it is unclear, how firms can derive accurate sales forecasts early in the innovation process.

We therefore aim to answer the following question: How can firms derive accurate sales forecasts for innovative durables in early stages of the innovation process?

Method and Data
Drawing on recent findings concerning the customer journey (Lemon and Verhoef 2016) and the macroflow model approach (Urban, Hauser and Roberts 1990), we develop a novel approach to prelaunch sales forecasting with the help of virtual reality. The novel approach uses two sources of inputs: consumer research and objective data on the market size.

In general, to be able to forecast consumers’ purchase probability in a specific product category, we needed to observe the complete purchase journey of a sample consisting of actual and potential buyers. Therefore, the setup of the consumer research closely mimics the purchase journey with its various touch-points (Lemon and Verhoef 2016): participants in the consumer research go through the stages of awareness, information search and purchase decision in a virtual reality environment. Compared to the original macroflow model, we extend the purchase journey, e.g. we offer participants different information sources to freely choose from such as an offline store, an online store or an online magazine.

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\(^1\)Durables are products used several times without being consumed through use. Hence they last for a longer period of time and are bought less frequently (Grewal, Mehta, and Kardes 2004). Examples of durables include mobile phones, fridges, scissors, or furniture.
We collected data in two large-scale field studies with a representative sample of 631 potential buyers of two different innovative durables prior to launch to assess the accuracy of this novel virtual reality prelaunch sales forecasting approach.

**Summary of Findings**

We tested the novel approach in two field studies with real-world innovations that were actually introduced to the market. To validate all sales forecasts, we calculated the mean absolute percentage error (MAPE)—a standard performance statistic—for the sales forecast based on the actual sales observed by a leading market research agency (Trusov, Rand, and Joshi 2013). To demonstrate that we improve prelaunch sales forecasting accuracy over that of previous approaches to sales forecasting, we compare the performance of our proposed approach with different established models. Our results were highly consistent in terms of predictive forecasting accuracy: while results of Study 1 revealed a MAPE of 19% over the first year after introduction, which is on average 35% better than the forecasting models suggested by previous work, Study 2 achieved a MAPE of 44% for the first six months after introduction, which is on average 64% better than the established models. We consider these consistent improvements in the sales forecasting accuracy to be strong evidence of the robustness and wide-ranging applicability of the developed approach, especially as the two studies had some key differences such as the industry, product category, and the degree of innovation of the two tested durables.

**Key Contributions**

By developing a novel approach to prelaunch sales forecasting using virtual reality technologies, we advance prior research in two important ways. First, due to the usage of virtual reality technologies, the new approach to prelaunch sales forecasting is applicable in early stages of the innovation process (e.g., product concept stage), whereas existing research focuses on sales forecasting close to or after the launch of the new product. Second, the usage of virtual reality technologies allows for a realistic depiction of the purchase journey and therefore leads to a less artificial environment during consumer research. Therefore, we can observe actual consumer behavior prior to launch, which improves overall forecasting accuracy.

*References are available on request.*
To Drop-Ship or Not to Drop-Ship: That Is the Question

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Keywords: channel choice, drop-shipping, wholesale, fashion products, sample selection bias

Description: This paper develops and empirically assesses a joint choice decision model to assist multichannel fashion product vendors in their assortment integration for drop-shipping.

EXTENDED ABSTRACT

Research Question
Drop-shipping is a practice in which vendors stock and own inventory and ship products directly to consumers at their retail customers' request. Because of differences in fulfillment requirements across the channels, and because vendors cannot replenish inventory during the season, channel-specific assortment decisions must be made before the selling season.

Method and Data
We use a dataset from an outdoors apparel seller containing all orders received by this leading firm from its retail customers.

We develop and estimate a joint choice channel decision model controlling for sample selection bias and endogenous dummy under a discrete dependent variable condition.

Summary of Findings
We find that products that require less effort from consumers to ascertain their characteristics as well as those products that are more substitutable, are more likely to get drop-shipped than carried in the wholesale channel. Our findings unveil influential cross-channel effects in demand between the wholesale and the drop-shipping channels for fashion products.

Key Contributions
To the best of our knowledge, our study is the first empirical analysis to investigate and establish demand profiles based on product characteristics to jointly evaluate stocking and channel choice decisions to satisfy demand across multiple channels.

Our study provides specific guidelines for fashion industry retail managers, in helping them make more systematic channel choice decisions based on fashion product characteristics.

References are available on request.
Consumer Well-Being

Big Picture and Environmental Factors that Impact Consumer Well-Being

The Fighter and the Caregiver: Brands that Help Individuals with Self-Esteem and Social Exclusion Threats

Aulona Ulqinaku, Gülen Sarial-Abi, Jeff Inman

An Agenda for Product Designs That Enchant and Transform

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Sit Down and Eat! Your Food Will Taste Better: Effects of Posture on Food Taste Perception

Dipayan Biswas, Courtney Szocs, Annika Abell

Do Different Justifications for Indulgent Products Wear Out Over Time?

Sven Feurer, Kelly L. Haws

Perseverance in Adversity: Using Counterfactual Thinking to Empower Dieters

Kai-Yu Wang, Melissa G. Bublitz, Guangzhi (Terry) Zhao

Effect of Psychological Ownership on Consumer Happiness

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Exploring Guilt and Shame Appeals in Health Marketing: The Impact of Self-Construal

Kathryn R. Pounders, Seungae Lee

The Effectiveness of Health-Focused NPIs as Strategic Decisions

Anwesha De, Girish Mallapragada, Rebecca Slotegraaf

Parental Choice of Healthy Food for Children: The Role of Social Comparison, Implicit Self-Theories, and Social Norms

Jens Hogreve, Shashi Matta, Alex Hettich, Rebecca Reczek

Seizing the Moment? Customers’ Fear of Missing out in Mobile Marketing

Madeline Barth, Sabine Kuester
The Fighter and the Caregiver: Brands that Help Individuals with Self-Esteem and Social Exclusion Threats

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Keywords: psychological threats, brands, self-esteem, social exclusion.

EXTENDED ABSTRACT

Research Question
Although previous research suggests that brands help individuals to cope with different psychological threats, the particular kind of brands that are most helpful in helping individuals cope with self-esteem and social exclusion threats is overlooked. In this paper, we investigate the following research questions: how (and what) brands can help individuals reestablish psychological well-being after being exposed to self-esteem or social exclusion threats?

Method and Data
We test the predictions using multiple empirical approaches including a correlational study (study 1), and three laboratory experiments (studies 2, 3, and 4). In study 1, we demonstrate the kind of brands that help individuals in threatening situations (i.e., social exclusion or self-esteem threats). In study 2 we test our hypotheses in a real choice setting. In studies 3 and 4, we replicate the findings of study 2—both with brand attitudes measures and consequential variables (i.e., actual consumption of the brand)—and find that individuals who experience self-esteem threats prefer fighter brands and individuals who experience social exclusion threats prefer caregiver brands. Moreover, our findings indicate that individuals who experience self-esteem threats engage in problem-focused coping and hence they prefer fighter brands. Additionally, the findings suggest that individuals who experience social exclusion threats engage in emotion-focused coping and hence they prefer caregiver brands.

Summary of Findings
This research’s findings indicate that individuals who experience psychological threats indicate they would need brands that are fighter and/or caregiver (study 1). Individuals who experience self-esteem threats prefer fighter brands (studies 2, 3, 4) because fighter brands help them to engage in problem-focused coping (studies 3, 4). Individuals who experience social exclusion threats prefer caregiver brands (studies 2, 3, 4) because caregiver brands help them to engage in emotion-focused coping (studies 3, 4).

Key Contributions
Across multiple studies that include laboratory behavioral experiments as well as a correlational study, we provide convergent evidence that individuals prefer, express more positive attitudes, and choose different types of brands (i.e., fighter or caregiver) depending on the psychological threat (i.e., social exclusion or self-esteem) they experience. This research’s findings extend the literature on psychological threats in a novel way by showing how psychological threats, specifically self-esteem threat and social exclusion threat, significantly affect brand preferences. Moreover, this research’s findings indicate that individuals who experience self-esteem threats engage in problem-focused coping by preferring fighter brands and individuals who experience social exclusion threats engage in emotion-focused coping by preferring caregiver brands. In doing so, this research’s findings extend the literature on coping with psychological threats.
threats in a novel way by showing how different brands help individuals experiencing psychological threats cope with those threats.

Finally, this paper’s findings extend this literature on branding, by identifying the hitherto unexamined types of brands in mitigating the effects of psychological threats. Specifically, this research’s findings extend the previous literature, in a novel way, by showing how fighter and caregiver brands help individuals mitigate the effects of psychological threats.

References are available on request.
An Agenda for Product Designs That Enchant and Transform

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Keywords: new product design, consumer well-being, aesthetics, classic designs

Description: The purpose of this paper is to explore how marketers might increase consumer well-being as well as marketing effectiveness by designing products that enhance daily life in the same way that special art objects do.

EXTENDED ABSTRACT

Research Question
Great art is unique and different from art of its time (Gombrich and Gombrich, 1995). When an art movement such as Impressionism comes out, it plants a stake in the ground; it generates a feeling of awe and gives people the feeling that things will never be the same. A community of art experts agrees that it is significant, that it has special qualities. It is usually associated with great individual artists. It generates controversy insofar as it reverberates with deeply held ideologies. Finally, it retains its importance over a long period of time.

Similarly, classic or great product designs (GPDs) represent radical shifts when they come out. They are labeled as special designs by design experts. They are commonly associated with their designers, for example, the Juicy Salif by Philipe Starck. They leverage key ideologies and sustain their popularity for a long time.

Researchers (Csikszentmihalyi in Roston 2016, Weidman and Dunn 2015) use terms like “micro flow” and “momentary happiness” to describe how art as well as product designs generate positive emotions in people. Do GPDs transform consumers like classic art objects? What could they say about new ways to design products that positively effect marketing performance and consumer happiness?

Method and Data
We investigated over 300 cases of famous product designs from design history books and settled on three GPDs: the Coco Chanel little black dress, the Austin Mini car, and the Eames chair and ottoman. We looked across the cases for patterns which describe the stories, creators, environments and purchasers of GPDs (Dull and Hak 2007; Gerring, 2007). All of these products met criteria from above: all were mass produced consumer goods which had long, successful sales histories across many geographical areas. All are agreed upon by many writers (e.g., Carpenter, 2009) to be GPDs. All generated feelings of surprise and awe when they were first introduced, and all redefined their categories.

Summary of Findings
A paradox in the Sociology of art criticism is how to reconcile enduring meaningfulness with shifting meanings for cultural items. Santana-Acuna (2014) describes how a new work of art is disembedded from its original vernacular organizational context (or VOC) and becomes embedded in different cultures in different places in different times with different meanings. In short, he studies “the process by which a cultural object is collectively imagined as meaningful over time and across national and cultural boundaries despite its changing meaning” (Santana-Acuna, 2014, p 101).

We find that the three GPDs are impactful for the same reasons. For example, the Mini might have a remained a small economy car for British towns and roadways, but it jumped in popularity across Europe and later the US. It created a new genre, the small yet roomy performance car. The designer, Alec Issigonis was knighted and was already known for the design of the successful Morris Minor car. Over time, the Mini spread in popularity insofar as it epitomized an antielitist ideology (Holt and Quelch, 2009), yet it
also became famous as a rally car and later, a car that represented a European urban fashion statement (Sudjic, 1985).

**Key Contributions**
Corbusier and other modernist designers set to design a world so that “the majority would be able to enjoy an improved quality of life in a hygienic, healthy, and modern environment” (Woodham and Jonathan, 1997, p. 34). According to Albrecht (2012, p. 11), Norman Bel Geddes was a firm believer in the spiritual value of art and “the idea that art as well as architecture and design could make peoples’ lives psychologically and emotionally richer.”

Based on the cases of the three GPDs above, if one designed a process for the development and subsequent management of GPDs, it would follow these guidelines:

**Target and Needs Research**
No specific target in mind but many possible targets, each representing different product meanings. Do not research buyer needs but rather trends in art and other design areas (Verganti 2017)

**Product Design and Testing**
Stress radical appearance. Design should be open to multiple interpretations. In consumer testing, use evaluative questions from art research, e.g., “it gives me a feeling of awe” (Pelowski and Akiba, 2011).

References are available on request.
Gaming the Food System: Urban Foraging Practices and Wellbeing

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Keywords: food well-being, game-play theory, foraging, anticonsumption

Description: Foraging is an ancient food practice that has taken on new meaning in modern times and its exploration through the lens of game play offers new insight into consumer well-being.

EXTENDED ABSTRACT

Research Question
What can we learn from foraging practices that can enhance our relationships to food, sustainability, and well-being?

Method and Data
This paper employs participant observations, short form and in-depth interviews, online data, and photography to explore motivations, practices, and outcomes of individuals who participate in urban foraging through gleaning edible plant life or discarded food. Data gathering from the field occurred over the course of two years in New York, Oregon, and Texas, and continued through observations of online community and educational websites. The analysis used an iterative, grounded theory approach focused on understanding urban foraging practices, their meanings, and motivations for participation.

Summary of Findings
The findings offer insight into the understudied phenomenon of modern foraging practices and its support of consumer and food well-being. The practice of foraging asks participants to immerse themselves in their surroundings in a new way that enhances mindfulness and connections to physical space. Foragers are transported into the role of an “outsider” during the performance, taking on a practice of consumption associated with risk and taboos. Within this engagement, the performers must rely on a different set of rules and a new narrative for interacting. The consequences are observed in new orientations towards food, space, and consumption; which in turn, cultivate well-being by promoting greater pleasure, autonomy, competency, and relatedness.

Key Contributions
This exploration develops a conceptual model for examining experiential food practices by extending the framework of sustainable consumption and incorporating game-play immersion variables and well-being principles. The foraging game-play model promotes new perspectives by altering associations to rules, space, and narrative of food acquisition, consumption, and disposal. Using game-play design demonstrates the learning potential situated in experiential food practices that can be leveraged by marketers and public policy makers to strengthen consumer intrinsic motivations towards a more mindful relationship with food and diet.

References are available on request.

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Food Well-Being: The Development of an Integrated Model

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Keywords: food well-being, food well-being cycle, consumer well-being, food-related life

Description: Based on a transdisciplinary literature review, we refine the definition of food well-being and integrate the existing relevant knowledge about food well-being into a conceptual framework, the so-called food well-being cycle, which shows the development process and the components of food well-being.

EXTENDED ABSTRACT

Research Question
With view on the currently existing food-related problems, such as the overweight and obesity epidemic, it seems that a change in thinking and in approaching food-related phenomena is urgently needed. A shift in thinking can indeed be observed in different disciplines. For a long time, food’s impact on consumer well-being was viewed as being limited to the fulfilment of consumers’ nutritional needs and the maintenance of their physical health. However, within the last two decades, researchers in different disciplines increasingly point to the fact that food takes on a broader role, influencing more and different life domains. In the current paper, we strive to build a bridge between the disciplines by combining their knowledge to outline food well-being and to create one overarching conceptual framework.

Method and Data
The paper is based on an extensive literature search about food well-being, its components and development process. The disciplines nutrition and dietetics, consumer psychology, marketing, and public policy were considered in the search process.

Summary of Findings
The literature search shows that different disciplines are simultaneously working on understanding food well-being (even though they may not call it like this). By combining the findings of different disciplines, we are able to refine the definition of food well-being, distinguish the elements that nourish food well-being, structure them, and elaborate their content and interrelationships. Based on these elaborations, we present an improved and more comprehensive structure for the overarching food well-being framework, i.e., the food well-being cycle. The cycle shows that the formation of food well-being is a circuit that is continuously in motion in every person’s life. The cycle is designed to offer a better understanding of food well-being and how it can be purposefully influenced. Thus, it offers a good starting position for future research and valuable insights for practice.

Key Contributions
The food well-being cycle offers an overview of current knowledge regarding the development and composition of food well-being. It helps reveal research gaps, points to relevant research questions, and allows researchers to place research problems and findings more easily in the larger picture. Furthermore, researchers can build on this work to research food well-being in detail and work on solutions to food-related issues. In practice, the conceptual model can be used in various ways. For example, in marketing it can be used to create services and products that contribute to food well-being. In public policy, it can be used to understand the consumers’ food well-being, identify ‘adjusting screws’, and retrace the effects of interventions to the individual food well-being dimensions. For instance, the knowledge gained from the cycle could be used to inform and educate consumers about food well-being and the underlying mechanisms by means of awareness campaigns and food well-being courses. Furthermore, food business operators can use the food well-being cycle to develop products that support consumers’ food well-being or to test the extent to which their marketing activities influence food well-being.

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References are available on request.
Big Picture, Bad Outcomes: When Visual Perspectives Harm Health Goal Pursuit

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Keywords: goals and motivation, self-regulation and self-control, Transformative Consumer Research, affect and emotion, self and identity

Description: We examine how first-person and third-person perspectives influence intentions and choices for health-related goals when these goals are peripheral or central to the self-concept.

EXTENDED ABSTRACT

Research Question
People often fail to achieve health goals, diminishing their well-being. Helping consumers to effectively pursue health objectives can improve individual welfare and facilitate transformative outcomes for companies and organizations. Some prior research suggests that seeing events through an observer’s eyes (i.e., adopting a third-person perspective) should facilitate health goal pursuits but other work advises that adopting a third-person perspective can be counterproductive. We add to this literature by examining the role of deliberative versus implemental mindsets, the centrality of the goal to the self-concept, and goal characteristics. Might a third-person perspective lead people to question goals? What happens when those goals are peripheral to identity? We find that third-person imagery discourages goal-consistent intentions and behavior for health goals when goal centrality is low (i.e., the goal is peripheral to one’s self-concept).

Method and Data
We present the results from one experiment with a real product choice task and two experiments that focus on behavioral intentions. We manipulated first- and third-person perspectives (Experiments 1 and 2) with an intervention adapted from Libby et al. (2007). Participants saw an example of first- and third-person perspective before being asked to take one perspective to imagine possible events occurring during the pursuit of a health-related goal. In Experiment 3, all participants adopted a third-person perspective and we manipulated goal centrality using mock articles (adapted from Chiu, Hong and Dweck, 1997, and Plaks and Stecher, 2007) that framed a health goal as being peripheral or central to the self-concept.

Summary of Findings
In Experiment 1, participants considered the goal of eating a healthier diet by reducing their sugar intake. Participants who adopted a third-person perspective chose more sugary snacks to take home when they considered the goal to be more peripheral to the self. In Experiment 2, participants considered a weight loss goal. We used a serial conditional mediation model to examine why a third-person perspective can hinder goal pursuit; it encouraged a breakdown in the implemental mindset which, in turn, increased negative self-conscious emotions. When the goal was peripheral to the self, self-conscious emotions drove reductions in future goal intentions, but when the goal was central to identity, people were buffered from these negative effects. Experiment 3 demonstrated robustness when goal centrality was manipulated: negative self-conscious emotions drove reductions in future goal intentions when participants were prompted to see a healthy eating goal as peripheral to self-concept, and this effect was lessened when the goal was cast as central to the self.

Key Contributions
Our work provides a more nuanced story about how first- and third-person perspectives influence goals. We recommend that consumers pursuing health goals (and individuals who support them) exercise caution when employing perspective-based interventions, as they may backfire for goals.
which are peripheral to the self-concept—precisely when most people need the most help to persist.

From a research perspective, our findings advance theory on first- and third-person perspectives and goal pursuit by integrating the role of mindsets and the self. We also provide a number of avenues for future theoretical development: examining other goal contexts (e.g. financial decision making), directly examining the effect of goal importance, exploring relevant individual differences (e.g. goal adjustment capacity), and creating interventions that reinforce goal centrality to improve consumer well-being.

For marketers, managers, and consumers, our work provides a caution. Prior research suggests that perspective interventions should work well to encourage goal pursuit, and we demonstrate that they may be counterproductive, leading to squandered resources spent on ineffective programs. Our findings offer a theoretically-grounded, alternative approach that suggests changing how the goal fits one’s self-concept.

References are available on request.
Match Me If You Can: Online Dating and the Paradox of Choice

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Keywords: consumer behavior, consumer well-being, online dating, paradox of choice.

EXTENDED ABSTRACT

Research Question
Advancing technology has brought about a fundamental shift in consumption behaviors across a variety of contexts, including the pursuit of romantic relationships. Recent surveys reveal that 11% of women and 27% of men in the United States are now actively using at least one online dating website, and nearly half (48%) of Americans know someone who met a spouse or committed partner via online dating (Statista, 2018). Yet, despite the increasing popularity of these sites, one-third of users have never gone on a date with someone they met online, and an even greater number remain single after a year of membership (Smith and Anderson, 2016). One explanation for this outcome is what psychologist Barry Schwartz calls the “Paradox of Choice,” which occurs when individuals are confronted with too many options when trying to make a meaningful choice. The purported consequence of choice overload is a commodity-focused consumer who believes something better might be around the next corner; and in the case of romantic relationships, a mindset that can lead to individuals not being fully committed to their current partner. The primary purpose of this study is to examine how the number of online dating options, as well as choice clarity among options impacts consumers’ level of cognitive effort and choice confidence. This work offers theoretical extensions to Choice Overload Theory, as well as important considerations for consumer well-being.

Method and Data
This experimental study of 621 single adults ages 25-44 employed a 2 (choice set size) × 2 (choice set clarity) × 2 (gender) between-subjects factorial design. Choice set size was manipulated by significantly varying the number of dating profiles presented (12 vs. 48); and choice set clarity was manipulated by varying the relative attractiveness of the dating profiles included in each choice set (determined via a separate pretest). The dependent variables were Cognitive Effort and Choice Confidence. Data were analyzed through a series of ANCOVAs.

Summary of Findings
H1 was supported in that large choice set size was significantly related to cognitive effort, F (2, 617) = 11.72, p < .01; and the difference between mean score for the small group (M = 4.22, SE = .095) and the large group (M = 4.60, SE = .094) indicated a positive relationship. H2 was also supported in that low choice set clarity was significantly related to cognitive effort, F (2, 617) = 14.38, p < .01; and the difference between the mean score for the low clarity group (M = 4.66, SE = .095) and the high clarity group (M = 4.18, SE = .093) indicated a negative relationship. H3 was also supported in that large choice set size was significantly related to choice confidence, F (2, 617) = 5.10, p < .01; and the difference between the mean score for the large group (M = 5.33, SE = .057) and the small group (M = 5.59, SE = .058) indicated a negative relationship. However, H4 was not supported in that higher choice set clarity was not significantly related to choice confidence, F (2, 617) = 1.47, p > .05; as the mean scores for the low clarity group (M = 5.39, SE = .059) and the high clarity group (M = 5.53, SE = .057) were not significantly different.

Key Contributions
As predicted by Choice Overload Theory, online daters presented with large (as opposed to small) choice sets report higher levels of cognitive effort and decreased confidence in their reported choice. Additionally, altering choice clarity also impacted respondents’ perceived level of cognitive effort and choice confidence (although the latter was not found to be significant). These findings suggest that choice clarity offers a viable theoretical extension to Choice Over-
load Theory in this context. While online dating sites potentially offer efficiencies to the time consuming, complex process of finding a mate, opportunities exist for improving the way online dating is practiced. For example, previous research (e.g., Aditi, 2017; Sumter et al., 2017; Wu and Lin, 2012) demonstrates that different levels of motivation in decision-making drive individuals to employ different cognitive strategies, particularly when dealing with large or homogenous choice sets. The current design of most online dating sites enables users to immediately access all potential partners in the system who meet their search criteria (D’Angelo and Toma, 2017). To improve users’ experience and outcomes, online dating service providers should consider matching the complexity of profile information provided (in terms of quantity and clarity) with the degree of motivation indicated by the user. Prescreening the profile set to better align with the users’ desired partner preferences, as well as limiting the number of profiles presented to users in one session decreases the likelihood of cognitive overload and offers to enhance user satisfaction.

References are available on request.
Vulnerability Beyond Market-Mediated Power Relations: An Investigation of the Discourses of Antiimmigration and Immigrant Consumer Vulnerability

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Keywords: immigrant consumer vulnerability, consumer well-being, antiimmigration and xenophobic discourses, city-related consumer identity

Description: This study advances the concept of consumer vulnerability beyond marketplace power relations and highlights the positive functioning of market-mediated resources for vulnerable consumers.

EXTENDED ABSTRACT

Research Question
A growing body of literature in consumer research has been dealing with the issue of consumer vulnerability. However, these studies have developed a narrow account of consumer vulnerability by regarding it as only a market condition. For example, Visconti (2016) defines consumer vulnerability as “a market condition exposing one or more individuals to the risk of obtaining limited utility from market transactions, with implications for their well-being” (p. 371). Similarly, in their situational approach to the conceptualization of consumer vulnerability, Baker et al. (2005) also focused on those “market transactions” that may place consumers “in situations where they lack control and experience an imbalance in the exchange process” (p. 136). However, such a conception of consumer vulnerability largely overlooks consumers’ experiences of vulnerable situation beyond marketplace power relations and how they are related to market-mediated resources.

Addressing this gap, this paper aims to provide a broader conception of consumer vulnerability by investigating how power relations associated with antiimmigration and xenophobic discourses place immigrant consumers in vulnerable situation and how they are related to market-mediated resources.

Method and Data
15 semi-structured, in-depth interviews was conducted with first-generation Iranian immigrants residing in Dortmund, Germany, between February and August 2018. Adopting a purposive sampling approach, the aim has been to include Iranian immigrants with different backgrounds and different duration of resistance in Germany in order to acquire a more comprehensive understanding of the phenomena under study. On average, each interview lasts about 100 minutes.

A hermeneutic approach is adopted in order to analyze and interpret the data (Thompson, 1997), which began with conducting the first data collection. The data has been subjected to intratext and intertext readings and an iterative back and forth between the part and the whole in interpretation of the data, that is the hermeneutic circle (Arnold and Fischer, 1994; Thompson, 1997). This approach is specifically selected considering the centrality of context in making sense of participants’ experiences in hermeneutics, compared to the other more descriptive forms of phenomenology (Askegaard and Linnet, 2011; Larkin, Watts, and Clifton, 2006). This enables the researcher to better contextualize immigrant consumers’ experiences with regard to the broader sociocultural processes in the context of immigration, specifically in regard to the circulation and functioning of the antiimmigration and xenophobic discourses.

Summary of Findings
In this study, beyond the explicit antiimmigration discourses of far-right groups and political parties, the discourses of antiimmigration and xenophobia refers to a Foucauldian account of discourse that is regarded as a terrain of knowl-
edge, a conceptual ground for the formation, circulation and operation of power/knowledge. For most participants, this circulation and operation of knowledge is mostly experienced through a negative representation of Iran, as a Middle Eastern country, in their everyday lives. For example, the findings of our study indicated that indigenes’ curiosity to know the unknown, the less-known or the stereotypically-known geography by asking relevant or irrelevant, appropriate or inappropriate questions is experienced as being interrogated, disrespected and alienated by most participants.

The use of market-mediated resources to resist antiimmigration and xenophobic discourses was reflected in various forms in participants’ narratives. More specifically, the findings indicated that for some participants, construction of a sense of belonging to the city performs as a bridge to cross the boundaries and to feel being included in the hosting society, which are mostly constructed and embodied through consumption practices such as supporting Borussia Dortmund (i.e. the city football club) and buying from local retailers.

**Key Contributions**

This study extends the previous research on immigrant consumer vulnerability by showing how immigrant consumers react to their experiences of vulnerability. On the one hand, the findings of this study highlight how a negative representation of the original country can construct a sense of alienation amongst immigrants, a sense of being the “other.” On the other hand, the findings also underscore immigrants’ appropriation of market-mediated resources, particularly city-related resources, which empowers them to navigate through the boundary-making discourses of antiimmigration and xenophobia and construct a sense of affiliation to the hosting society.

An important theoretical and practical contribution of this study is to extend the concept of consumer vulnerability beyond only “a market condition.” The findings of this paper suggest that the study of consumer vulnerability should not be restricted to consumption contexts and market-mediated power relations and mechanisms such as marketing activities. Rather, a more comprehensive conception of consumer vulnerability can inform both marketing research and practice in order to improve consumer well-being. Therefore, in this new conceptualization, the link to consumption and marketplace is not only due to their negative impacts, but also their positive and constructive capacity in enhancing consumers’ well-being in vulnerable situations beyond market-mediated power relations.

*References are available on request.*
Sit Down and Eat! Your Food Will Taste Better: Effects of Posture on Food Taste Perception

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Annika Abell, University of South Florida

Keywords: posture, sensory marketing, sitting, standing, taste

Description: We examine the effects of posture on food perception and consumption and show that eating the same food in a standing (vs. sitting) posture leads to less favorable taste evaluations, less intense temperature perceptions, and lower amount of consumption.

EXTENDED ABSTRACT

Research Question
How would eating the same food in a standing (vs. sitting) posture influence taste evaluations?

Method and Data
We report the results of five laboratory studies.

Summary of Findings
We show that individuals rate pleasant tasting foods less favorably when they eat in a standing (vs. sitting) posture. The effect of posture on taste is driven by greater physical stress associated with standing leading to decreased sensory sensitivity. The effects reverse for unpleasant tasting foods and are attenuated when additional physical stress is induced.

Key Contributions
We add to the sensory marketing literature by examining the role of the vestibular sense, which has been relatively under-explored. We also contribute to the literature on cross-modal sensory effects by showing that posture (i.e., the vestibular system) has a systematic effect on taste (i.e., gustatory outcome). Finally, we contribute to the literature on retail atmospherics by showing that adding or removing chairs from restaurants and dining rooms can influence food taste evaluations.

References are available on request.
Do Different Justifications for Indulgent Products Wear Out Over Time?

Sven Feurer, Karlsruhe Institute of Technology
Kelly L. Haws, Vanderbilt University

Keywords: consumption patterns, exceptional purchases, hedonic consumption, food decision making, frequency reward programs

Description: In this paper, we provide initial evidence that patterns of effectiveness of different justifications emerge in sequential choice contexts that are different from what we would expect in single choice situations.

EXTENDED ABSTRACT

Research Question
This research asks whether different types of justifications (e.g., financial, social) vary in their effectiveness if used repeatedly over time. In contrast to examinations of the single-choice situations most characteristic of self-control research, our research explores how consumers use justifications for indulgence in sequential-choice situations. Such patterns of behavior are important given that in many domains, a single failure to resist temptation comes at near-zero cost, with only repeated consumption having severe negative effects.

Method and Data
We provide initial evidence for our hypotheses by analyzing data from three online scenario-based experiments (total N = 505) and performing ANOVA.

Summary of Findings
In general, we find that the purchase likelihood for a vice food in time 2 depends on both the justification offered in time 2 as well as the justification offered in time 1. The results suggest a wear-out effect of discount justification over time, whereas social justification remains relatively powerful.

Key Contributions
In the present study, we propose a novel conceptual framework addressing these questions related to how the possibility to justify an indulgent purchase impacts subsequent decision making wherein the same or a different possibility for justification is present.

References are available on request.
Perseverance in Adversity: Using Counterfactual Thinking to Empower Dieters

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Keywords: counterfactual thinking, dieting, digital health tracking, health, well-being

Description: After a diet failure, consumers often rebound with overconsumption that undermines their dieting goal and health; but strategic use of counterfactual thinking may encourage dieters to be more diligent in their dieting goal pursuit and track their consumption using a digital health tool.

EXTENDED ABSTRACT

Research Question
Can the practice of counterfactual thinking be used strategically to encourage dieters to track their consumption and positively influence consumption and health goals that advance their well-being?

Method and Data
Two groups participated in a 2 (CFT vs. control) × 2 (dieter vs. nondieter) between-subjects factorial design experiment consisting of two phases. In Phase I, all participants read a scenario about experiencing a dieting lapse after committing to a goal. Then participants in the counterfactual thinking (CFT) condition generated a list of process-oriented, “what-if” thoughts about what they could have done differently. Dieting status was measured. In Phase I, participants evaluated an ad for an online tracking tool and were then asked to use the tracking tool for two weeks. The retention rate from Phase I to Phase II was 76.9% with no difference in the retention rate of dieters vs. nondieters. In Phase II, participants returned to the lab to give their opinions of the tracking tool, report if and how they used it, state their likelihood for continued use, and report their actual consumption data tracked over the two-week period. Data was analyzed to determine if dieters in the CFT group viewed the tool more favorably (Phase I), used the tool more (Phase II), and if they consumed less than those in the control condition (phase 2). The final sample included those who participated in both phases was N = 174.

Summary of Findings
Phase I showed that dieters who engaged in CFT evaluated the ad presenting the online tool as a simple way to track your food more favorably than those in the control condition. No effect was found for nondieters. Those familiar with the struggles of dieting may respond more positively to a tool designed to simplify the cognitive task of dieting. In Phase II, two weeks after the CFT intervention, dieters in CFT condition reported they plan to continue to use the tracking tool at a higher rate. Dieters in the CFT condition also reported higher utilization of the tool, reporting more frequent use to (1) track other nutrients (e.g., fat, protein, and fiber); (2) use the recipe function; and (3) participate in the supportive online social community. Finally, tracking data revealed those who engaged in CFT during the initial phase of research consumed marginally less calories compared to those in the control condition regardless of dieting status. This research provides evidence that lapsed dieters who engage in CFT may be more likely to use an online tool but also hints that all consumers who engage in process-focused, reflective thoughts about how to eat better may benefit.

Key Contributions
Our research adds to mounting evidence (e.g., Lwyinski 2014; Rao and Kirley, 2013; Spring et al., 2013) that technology enabled tracking may be a positive step in helping dieters. We show that CFT messages may motivate con-
sumers to be more diligent in using these tools readily available in the marketplace today, to help them achieve and maintain their health-oriented goals. Increasing persistence and commitment to online tracking may help dieters take full advantage of the benefits these kinds of tools provide and may also remind them of their goals when faced with temptation. Research shows that reminding consumers of a health goal increases their vigilance to make goal-consistent decisions, especially in the evening when cognitive resources are more depleted (Boland, Connell and Vallen, 2013) and the likelihood of giving into temptation is higher (Baumeister, 2002). Finding new ways to empower dieters to persevere in an environment filled with temptations or after a dieting lapse is another step forward in tackling the obesity epidemic.

References are available on request.
Effect of Psychological Ownership on Consumer Happiness

Dan Li, Widener University

Keywords: consumer happiness, psychological ownership, self-determination theory

Description: Two experiments indicated that psychological ownership increases consumer happiness, regardless of legal ownership.

EXTENDED ABSTRACT

Research Question
Why merely owning something does not guarantee happiness? This paper answers the question through distinguishing between the effects of legal ownership and psychological ownership on happiness. The pursuit of happiness has received growing attention in consumer research over the past decade (van Boven and Gilovich, 2003; Mogilner, Aaker, and Kamvar, 2012). Largely missing from this research stream on happiness, however, is attention to the idea of psychological ownership. Whereas legal ownership refers to actual possession, psychological ownership refers to “the state in which individuals feel as though the target of ownership (material or nonmaterial in nature) or a piece of it is ‘theirs’ (Pierce et al., 2001).” Unlike legal ownership, which is more formal, psychological ownership reflects the personal sense of possession a consumer holds for a target (Jussila, Tarkiainen, Sarstedt, and Hair, 2015). This type of nonlegal ownership consumption is not examined in the many studies in consumer happiness. Since psychological ownership fulfills the basic psychological needs according to self-determination theory, this paper tests psychological ownership as an important factor impacting consumer happiness regardless of actual legal ownership.

Method and Data
In Study 1, legal ownership status was manipulated, and psychological ownership being measured. A total of 252 college students from a southwestern university participated. Ownership status was manipulated by asking the participants to recall different experiences “about a recent time when you [used your money to pay for/borrowed from someone you know/borrowed from a library] a hard copy book.” The buying condition represents legal ownership of the book, whereas the borrow and library conditions represent nonlegal ownership of the book.

Study 2 is an online experiment. A total of 137 college students participated in the experiment for course credit. This study was conducted one month prior to Christmas and Hanukkah, which is an intense gift-giving season for the vast majority of American consumers. To manipulate legal ownership status, the participants were asked to imagine one of two different scenarios in gift giving—“imagine that you are going to buy a Christmas/Hanukkah gift for [yourself/a friend].” To manipulate psychological ownership, participants either viewed a standard product or customized the product. The stimuli were adopted from Franke, Keinz and Steger’s (2009) study on product customization.

Summary of Findings
Study 1 results show a significant main effect of psychological ownership on happiness (F(1,245) = 50.978, p < .001). Participants in the high psychological ownership condition (M = 6.53, SD = .65) reported greater happiness than those in the low psychological ownership condition (M = 5.58, SD = 1.33). H1 is supported by the data. The impact of psychological ownership on happiness is partially mediated by the satisfaction of psychological needs. The results indicate that college students felt happier about the books that they perceived as theirs.

Study 2 results show a significant main effect of customization on anticipated happiness (F(1,130) = 4.802, p = .03). Participants in the customization condition (M = 60.69, SD = 16.06) reported greater happiness than those in the noncustomization condition (M = 56.92, SD = 17.85). The
results demonstrate that there is a positive relationship between customization and increased anticipated happiness, which is mediated by enhanced psychological ownership. People anticipate a gift with happier feelings when they customize the gifts during the purchasing process. No matter whether the gift is for oneself or for a friend, consumers feel happier after customizing the gift on certain features.

**Key Contributions**

Through two studies, this paper has important theoretical contributions to extant literature. First, it extends the self-determination theory in a novel, meaningful way. This paper identifies a unique antecedent that facilitates the basic psychological needs, which is psychological ownership. The effect indicates that psychological ownership is a more influential factor than legal ownership. Second, this paper expands the IKEA effect and endowment effect by introducing an antecedent and an emotional consequence into the psychological mechanism. The IKEA effect addresses the cognitive process of product evaluation, with consumers’ thinking that “what I created is more valuable” (Norton, Mochon, and Ariely, 2012). The endowment effect argues that people ascribe greater value to things merely because they own them (Reb and Connolly, 2007). It inspects the valuation paradigm which is often measured through consumers’ willingness to pay (WTP). The endowment effect focuses on legal ownership and reflects the consumer thinking that “what I own is more valuable.” By contrast, the findings of this paper reflect the thinking that “what I created feels like mine and I’m happy about it.” Thus, this study provides original theoretical contributions to extant research on these psychological mechanisms.

*References are available on request.*
Exploring Guilt and Shame Appeals in Health Marketing: The Impact of Self-Construal

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Keywords: emotional appeals, health communication, persuasion, self-construal

EXTENDED ABSTRACT

Research Question
Negative emotional appeals are among the most frequently used strategies to persuade consumers to comply with advocated healthy behaviors. While fear is a commonly used emotional appeal, recent research has examined guilt and shame appeals (e.g., Duhachek, Han, and Agrawal 2012). The theoretical tenets rooted in the cognitive appraisals of guilt and shame suggest a relationship with self-construal. Self-construal refers to the extent to which the self is defined independently or interdependently with others (Markus and Kitayama 1991). The purpose of this work is to examine the interplay between guilt, shame, and self-construal in health messages. Specifically, it is expected that self-construal will interact with emotional appeal to influence individuals’ response to health messages in the form of message acceptance, behavioral intention to wear sunscreen, and behavioral intention to learn more about skin cancer.

Method and Data
This experimental study consisted of 152 participants recruited from Amazon’s MTurk ranging in age from 20-65. The study consisted of a 2 (emotional appeal: guilt/shame) × 2 (self-construal: independent/interdependent) between-subjects design. Both emotional appeal and self-construal were manipulated within the ad copy and imagery. Data was analyzed with a series of ANOVAs as well as the PROCESS SPSS macro for bias-corrected bootstrapped (model 8) (Preacher and Hayes 2004).

Summary of Findings
This work demonstrates that guilt appeals are more effective when paired with an accessible interdependent self-construal, while shame appeals are more effective when paired with an accessible independent self-construal. Further, perceptions of message persuasiveness mediate these relationships.

Key Contributions
This work demonstrates how to effectively utilize guilt and shame appeals when considering one’s accessible self-construal (which can be primed through persuasion tactics). Additionally, this work identifies message persuasiveness to facilitate these relationships. Finally, this work also offers implications for social, health, and marketing practitioners by suggesting effective message strategy.

References are available on request.
The Effectiveness of Health-Focused NPIs as Strategic Decisions

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Rebecca Slotegraaf, Indiana University

Keywords: health, health claims, brand equity, innovation, advertising, WOM, product heterogeneity

Description: The authors investigate how the introduction of health-focused products impacts brand equity along with the role of WOM as the mediator of the relationship and the moderating effects of advertising intensity, product and brand claim characteristics.

EXTENDED ABSTRACT

Research Questions
• How does the strategic decision to introduce health-focused products impact a firm’s brand equity?
• Can consumer word-of-mouth serve as an underlying mechanism governing the relationship between health-focused product introductions and brand equity?
• How do advertising intensity, product and brand claim characteristics impact the strength of the relationship between health-focused product introductions and brand equity?

Method and Data

Method
The data for this study has an unbalanced panel structure with n = 210 brands and t = 43 months. To address the potential endogeneity of HFNPI, first, we lagged HFNPI and other explanatory variables by one time-period to address the issues of reverse causality and simultaneity. Second, we included time dummies to account for time-specific fluctuations in the dependent variable. Next, based on the Hausman test we proceed with the random effects model for the study. Third, we used the second-order difference of HFNPI as the instrument for the endogenous variable lagged HFNPI

Summary of Findings
First, we find that although the health-focused product introductions have a negative impact on brand equity, the squared term of the HFNPI is in fact positive.

Second, we find that while health-focused product introductions do increase WOM behavior, the main effect of WOM is negative on brand equity. In addition, its interactions effects with claim characteristics are positive and enhance the impact of WOM on brand equity. Interestingly, while the claims pertaining to the level of claims has a positive effect on the WOM-brand equity relationship, the claims focusing on the nutrient vs. nonnutrient content although nonsignificant have a negative effect directionality. We also find that the low claims have the strongest impact among the three levels.
Third, we find that health-focused product introductions in vice categories not only harm the brand equity directly but also weaken the positive effect of these product introductions on WOM.

Fourth, the results with respect to advertising intensity show that among the three media channels, only network TV has a significant moderating impact on the relationship between claim characteristics and brand equity. In particular, we find that the nonnutrient related claims have a positive impact but the low and no claims have a negative impact on brand equity.

Key Contributions

Theoretical Implications

First, this study focuses on evaluating whether firms can benefit from an increase in brand equity by differentiating their offerings through the health-focused product introductions.

Second, we add to the literature in the health domain by illustrating that claim characteristics play a crucial role in enhancing the impact of WOM on the brand equity by enabling consumers to engage in relevant brand chatter pertaining to specific health benefits of the brand.

Managerial Implications

First, the results of the study reveal that it is imperative for managers to assess the implications of new product introductions on brand equity before responding to consumer trends.

Second, managers must incorporate the type of media channels and claims in their communication strategy. It is imperative that the claims are not only unique enough to stand out among a clutter of brands but also deliver the message without inducing additional cognitive load.

Third, managers should use claim characteristics to further boost the impact of WOM on brand equity.

References are available on request.
Parental Choice of Healthy Food for Children: The Role of Social Comparison, Implicit Self-Theories, and Social Norms

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Rebecca Reczek, Ohio State University

Keywords: social comparison, implicit theories of the self, social norms, parental food choice, healthy food choice, fast food

Description: In a series of five field studies, we examine parental food choice for their children at a global fast food restaurant and demonstrate the effect of social comparison orientation and implicit self-theories on parents’ choice of healthy versus unhealthy food items.

EXTENDED ABSTRACT

Research Question
The goal of this research is to understand why increased availability of healthy options at fast food restaurants does not necessarily result in increased choice of such options. In particular, we examine what drives parental food choice for their children at a fast food restaurant. We build theory to identify the segment of parents least likely to order healthy options for their children and then develop and test an intervention to specifically target this segment in order to increase their likelihood of ordering healthy food for their children.

Method and Data
We use a multimethod approach (chasier transaction data, field experiments, field surveys) and all of our studies were conducted with consumers at a leading global fast food chain. With permission from this global fast food chain we were able to measure actual choice and collect cashier data. A total of 661 consumers participated in our field studies at the fast food chain, and we analyzed 7,400 cashier transactions at the fast food chain, as part of this research.

Summary of Findings
We find robust evidence across our studies that parents’ social comparison orientation and implicit theory of the self influence their choice of healthy / unhealthy food items for their children at fast food restaurants. More specifically, parents with a high social comparison orientation are more likely to conform to what they perceive to be the norm in their parental social network, when compared to parents with a low social orientation comparison. Further, we find that parents with a high social comparison orientation who are malleable theorists are most susceptible to conforming to this norm, which, in the population we study, is to order relatively unhealthy side items for children at a fast food restaurant. It is this critical segment of parents that had the highest likelihood of choosing unhealthy side items as part of the children’s meals that they ordered in our studies. By providing a descriptive social norm intervention we were able to increase the proportion of parents in this group that chose a healthy side item by over 29%.

Key Contributions
Given the importance of parental role in childhood obesity, and the focus on successful interventions to encourage healthy food choices, our research makes several notable contributions to theory and practice. Our research makes novel theoretical contributions: (a) we examine the interaction of consumers’ lay theories of the self and their social comparison orientation, a first in the literature on both these variables, (b) we identify a consumer segment most likely to conform to a social norm, adding to emerging research on moderators of social norm effectiveness, and (c) we develop

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new theoretical insights that contribute to the critical topic of parental role in childhood obesity. Managerially, this research provides a potentially powerful intervention to encourage a larger number of consumers to make healthier choices for their children at a fast food restaurant. We provide guidelines on managerially implementable social norm interventions to influence parents to make healthier choices for their children at fast food restaurants.

References are available on request.
Seizing the Moment? Customers’ Fear of Missing out in Mobile Marketing

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Sabine Kuester, University of Mannheim

Keywords: fear of missing out, mobile marketing, customer experience

Description: Based on the results of two experiments, the present research sheds light on customers’ fear of missing out, the elusive feeling of missing out on desirable experiences, within the context of mobile marketing.

EXTENDED ABSTRACT

Research Question
Customers’ constant use of smartphones in the shopping journey has opened up new gateways for mobile marketing. Companies can now collect and use pertinent data to provide their customers with context-specific mobile marketing notifications. While such mobile marketing notifications can ease customers’ lives and nudge them to make a purchase, they also reveal the abundance of alternative experiences happening “around” the customer at the very moment. By making transparent the opportunities that customers cannot all seize, companies can cause customers to experience the fear of missing out (FOMO). FOMO refers to a person’s elusive feeling of missing out on desirable alternative experiences. Our research investigates whether mobile marketing notifications can induce customers’ FOMO and, if so, how customers’ FOMO affects the customers’ evaluation of the current experience in terms of their willingness to spend, satisfaction with the current experience, and intentions to repeat the current experience. Based on a feelings-as-information theoretical design, the basic tenet of our research is that customers’ FOMO potentially reduces the effectiveness of mobile marketing notifications.

Method and Data
First, we conducted a pilot experiment to explore whether the reference to alternative experiences in mobile marketing notifications induces customers’ FOMO. 61 participants (\(M_{\text{age}} = 38.56; 49.2\% \text{ female}\)) were randomly assigned to one of two experimental conditions (no reference vs. reference to alternative experiences). Second, we conducted an online experiment to investigate whether different reference cues to alternative experiences, i.e., social vs. financial reference cues signaling the social vs. financial desirability of an alternative experience, in mobile marketing notifications induce customers’ FOMO differently. 218 participants (\(M_{\text{age}} = 35.9; 35.3\% \text{ female}\)) were randomly assigned to one experimental condition in a 2 (social reference cue: no vs. yes) \(\times\) 2 (financial reference cue: no vs. yes) between-subjects design. We developed a scenario in which participants imagined that they visit a restaurant while receiving a mobile marketing notification from a fictitious recommendation app. The notification referred to an alternative experience and contained a social and/or financial reference cue or not. We assessed the indirect effects of social and financial reference cues on participants’ willingness to spend, satisfaction with the current experience, and their intentions to repeat the current experience by bootstrapped standard errors and bias-corrected 95% confidence intervals (bootstrapped sample = 5,000).

Summary of Findings
The results of the pilot experiment demonstrate that customers’ FOMO fully mediated the effect of reference to alternative experiences on participants’ willingness to spend and satisfaction with the current experience. The results of the main experiment show that the social reference cue increased customers’ FOMO, \(\beta = .6597, p < .01\), which reduced their satisfaction with the current experience, \(\beta = -.0826, p = .05\) and intentions to repeat the current experience, \(\beta = -.1063, p < .05\). There was no significant direct or indirect effect of the social reference cue on customers’ willingness to spend, \(\beta = .966, p > .1\). Further, there were no significant direct or indirect effects of the financial reference cue which might suggest that the financial reference cue was not strong enough and/or that FOMO is particularly socially driven.

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Above all, the results of both studies provide initial evidence that mobile marketing notifications can trigger customers’ FOMO. In particular, we find that a social reference cue signaling the social desirability of the alternative experience rather than a financial reference cue can induce customers’ FOMO. In line with feelings-as-information theory, our results suppose a negative influence of FOMO on customers’ evaluation of the current experience.

**Key Contributions**

While previous academic research has mainly focused on FOMO as individual trait, our research is among the first to investigate FOMO as a situational factor. More specifically, our studies demonstrate that within mobile marketing notifications, the reference to alternative experiences in general and social reference cues in particular can trigger customers’ FOMO. Interestingly, we show that customers’ FOMO rather negatively influences customers’ evaluation of the current experience. Our research thereby contributes to the conceptualization of FOMO as a situational factor and provides a more nuanced understanding of when and how FOMO can be induced and whether and to what extent it influences customers’ evaluative judgment. Against the background that customers’ FOMO can mitigate the effectiveness of mobile marketing, we offer implications for the design of companies’ mobile marketing initiatives. In particular, in the context of experiential goods, companies tend to integrate reference cues to signal quality and desirability. Such reference cues can induce customers’ FOMO, which, in turn, might have negative effects on customers’ evaluation. While our research indicates the important role of FOMO within the context of mobile marketing, a more thorough understanding of how mobile marketing notifications can induce customers’ FOMO is required.

*References are available on request.*
Computational Marketing, Machine Learning, Artificial Intelligence

Understanding and Applying Machine Learning for Marketing Insights
The Effects of Review Extremity and Rhetorical Devices on Review Helpfulness
  *Masoud Moradi, Mayukh Dass, Piyush Kumar*
The Role of Colombiamoda in the City Image Reconstruction of Medellín
  *Lina M. Ceballos, Laura RojasDeFrancisco, Juan Carlos Monroy*
Exploration of an Individual Critic’s Review in Forecasting Box Office: Using Matrix Completion and Deep Learning
  *Keeyeon Park, Giwoong Bae, Hye-Jin Kim*
How Platform Insurance Police Drives the Growth of Sharing Economy
  *Xueming Luo, Zhijie Lin, Siliang Tong, Cheng Zhang*
The Champion of Images: Understanding the Role of Images in the Decision-Making Process of Online Hotel Bookings
  *Gijs Overgoor, William Rand, Willemijn Van Dolen*
The Effects of Review Extremity and Rhetorical Devices on Review Helpfulness

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Keywords: review helpfulness, review extremity, positive tone, negative tone, analytical language style

Description: This paper focuses on predicting the helpfulness of reviews using star ratings and rhetorical devices embedded within reviews (i.e., emotional language style and analytical language style).

EXTENDED ABSTRACT

Research Question
To understand the complex nature of review helpfulness, a theory-based model is developed, which examines the following research questions:

1. Is the helpfulness of reviews affected by extremely positive (i.e., five-star) or negative (i.e., one-star) ratings?
2. What effects do rhetorical devices found in reviews, such as emotional language style and analytical language style, have on review helpfulness?
3. Do rhetorical devices moderate the relationship between overall rating and review helpfulness?

Method and Data
Data were collected from the Amazon platform (video games category) for the period from 1996 to 2014. The final dataset contains information on 207,720 reviews of 23,172 unique products. Focusing on 207,720 reviews posted on Amazon.com over 18 years, we examine our research questions using the zero-inflated negative binomial regression. Many reviews did not receive any helpful votes. Therefore, our dependent variable (i.e., review helpfulness) has a nonnormal and over-dispersed distribution. If there is a chance that a set of zeros in our dataset are generated by a different process from the normal process, which generates other zeros, the zero-inflated negative binomial model can be used. According to this model, the distribution of the dependent variable can be explained by a logit distribution and a negative binomial distribution. The logit model helps us calculate the probability of having excess zeros, and the negative binomial model analyzes the rest of the zeros that are generated naturally by a negative binomial distribution.

Summary of Findings
The empirical analysis of reviews from Amazon shows that extremely positive/negative reviews (i.e., one-star/five-star ratings) are perceived as more helpful by potential consumers than reviews with moderate ratings (i.e., three stars). Moreover, review content such as a positive tone (PT), negative tone (NT), and analytical language style (ALS) do indeed affect review helpfulness. Both positive and negative tone decrease the reviews’ helpfulness as they do not provide potential customers with adequate information regarding the product attributes. However, analytical language increases the reviews’ helpfulness as it is more informative than nonanalytical reviews and reduces the risk for potential consumers.

Moderating effects help us explain the mixed results in the previous literature. Extreme reviews have a positive effect on review helpfulness. However, if an extreme review contains emotional language (either positive tone or negative tone), its positive effect will be diminished. We also find that the emotional language (i.e., positive/negative tone) has a stronger negative effect on reviews with moderate ratings since they are already less informative than the reviews with extreme ratings. In contrast, if an extreme review contains analytical language, the positive effect of that extreme review will be strengthened because the review is overall more informative.

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Key Contributions
This paper expands the literature and examines the effects of textual information on review helpfulness. The contributions of this paper are three-fold. First, to the best of our knowledge, this is one of the few studies that focuses on both quantitative and qualitative determinants of online review helpfulness and explores the effects of key rhetorical devices embedded within reviews, emotional language style and analytical language style, on review helpfulness. Second, our paper examines how rhetorical devices moderate the effect of overall rating on review helpfulness; this clarifies the inconsistency in previous studies regarding the perceived helpfulness of extreme reviews. Third, our results help companies provide shoppers with a better set of guidelines on how to write reviews and what type of language they should use to receive a higher number of helpful votes. As a result, companies can improve the value of their online platforms among customers by increasing the number of helpful reviews and making the online decision-making process easier and faster for shoppers.

References are available on request.
The Role of Colombiamoda in the City Image Reconstruction of Medellín

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Keywords: city image, place branding, destination marketing, complex network analysis, social media

Description: Using social representation theory, this netnographic study explores associations of Colombiamoda (Colombia Fashion Week) regarding the city image of Medellín via complex network analysis.

EXTENDED ABSTRACT

Research Question
Despite the academic interest in destination marketing topics, multiple research gaps remain, requiring further empirical studies (Hankinson, 2004; Pike and Page, 2014). Particularly, more research is needed on the city branding of conflict-ridden destinations (Çakmak and Isaac, 2016; Liu and Pratt, 2017) like Medellín (South America). Besides, the complex discipline of place branding requires more research on managing the less easily controllable communicators of place brands, such as major events (Anholt, 2002) like Colombiamoda—a clothing trade show held annually since 1989. Vogue magazine classifies it as “one of the high points of Latin America’s annual fashion calendar” (Castañeda, 2017).

Using social representation theory, the general research purpose is to explore associations of Colombiamoda with the city image of Medellín relative to social media content. Emphasis is given to the examination of social media interactions around the topic of Colombiamoda via complex network analysis. The explored research questions include “What is the social media content (e.g., posts on Twitter, Instagram, Facebook) using hashtags/keywords related to Colombiamoda?,” “What are the topics of the extended content (e.g., replays) and conversations (e.g., mentions of Colombiamoda)?,” and “Which of these contents published online relate simultaneously to Colombiamoda and Medellín?”

Method and Data
This study utilizes a netnographic approach for providing consumer insights (Baldus, 2015; Kozinets, 2002). According to Roberts (2015), the present passive research utilizes the online environment labeled as public space for collecting qualitative data (i.e., digital conversations) without researcher involvement in Colombiamoda’s online community. This passive netnographic approach applies complex network analysis as the overarching methodology, as it is used to model social interactions into graphs (Albert and Barabási, 2002).

Based on complex network analysis, the designed procedure was divided into four main phases: (1) Definition of the research problem, (2) Preparation and modeling of all data, (3) Evaluation of findings and research objectives, and (4) Creation of final report. These phases were articulated by taking inspiration of the data mining methodology Cross Industry Standard Process for Data Mining CRISP-DM (Chapman et al., 2000), which divides an iterative process into phases. The research process then employs an algorithm-like structure that indicates a set of rules to solve a problem (i.e., study objectives). Thus, the iterative nature of the process indicates that rounds of analysis and operations are repeated or iterated to arrive at the best possible results.

Summary of Findings
This netnographic study focused on exploring how social media users interacted around the topic of Colombiamoda and generated complex social networks that influenced the reconstruction of the city image of Medellín. This research concentrated on understanding how the observers of Medellín were commenting about Colombiamoda in relation to the city. Findings showed that Colombiamoda generated an...
Data interpretations confirmed Anholt (2002) in that the role of the spotlight event of Colombiamoda on the reconstruction of the city brand of Medellín is to act as a cobrand and vice versa. Based on Boccaletti et al. (2006), the topology of the Colombiamoda network indicated that there is a community exhibiting a complex topology with a scale-free distribution (Barabási and Albert, 1999). Data visualization revealed clusters of interaction in the social media contents shared, which were classified in 11 clusters on general conversations topics. Social media content mainly presented Medellín as the host of the fair and a tourist destination for visitors of Colombiamoda, a place that promotes regional economy and business, and lastly, an inclusive city that highlights new fashion talents.

**Key Contributions**

Findings point to theoretical, managerial, methodological, and urban policy implications. Regarding theoretical implications, findings support the recent conceptualizations of how the image of a city is formed. For instance, results further explain the interactive formation of place brand in the information age (Al-ghamdi and Al-Harigi, 2015; Kavaratzis and Kalandides, 2015) by uncovering how the observers of the city think about Medellín (Larsen, 2018) in relation to a specific spotlight event. As for managerial implications, Inexmoda may pitchfork their online community of Colombiamoda to further extend their online presence while joining and better aligning their strategies with the local government’s plans to continue promoting the city of Medellín. Methodological implications extend the work of Sevin (2014) by proposing an iterative—instead of linear—data collection and analyses process, utilizing complex network analysis. Therefore, qualitative interpretations went beyond traditional content-based analysis and employed data visualizations to reveal social media interaction patterns of dynamic social systems. Lastly, as place branding is a specific form of urban policy (Lucarelli, 2017) and city branding is closely interrelated with country branding (Ram, 2012), the local and national government should consider research insights during the revision of city/country brand strategies.

*References are available on request.*
Exploration of an Individual Critic’s Review in Forecasting Box Office: Using Matrix Completion and Deep Learning

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Keywords: movie critic, movie industry, matrix completion, deep learning, forecasting

Description: This study aims to investigate how an individual critic’s review influences the box office forecasting of motion picture.

EXTENDED ABSTRACT

Financial success in the motion picture industry is defined as an imprecise estimate of costs and expectations. However, the importance of critic reviews to the box office prediction model has been undervalued. In this study, we investigate how an individual critic’s review influences the predictive power of box office revenue. However, there are two possible problems in the data: missing values and the complex relationship in the critic reviews. To solve these problems, our model adopts two innovative techniques: matrix completion and deep learning. We found that our proposed model decreased the prediction error by up to 10.45% in our main analysis. Hence, an individual critic’s rating is informative in forecasting the financial success of a movie. Because of the tradeoff between data sparsity and prediction accuracy, there exists a minimum number of movies and reviews in the movie-rating matrix, which improves the predictive power in the motion picture industry.

Research Question

Previous literature on box office forecasting has considered various explanatory variables in the box office forecasting model. However, among the explanatory variables in prediction model, the role of critic reviews has been undervalued in the literature. In this study, we raise the importance of critic reviews in box office forecasting. A critic is a professional that provides reviews about movies to people; critics are experts who are experienced and trained to produce reviews with competence. Therefore, a critic review could be considered as qualified and above the standard of a user review. In this paper, we assume that each critic has its own distinctive criteria when making a review, so an individual critic review should be included as an attribute in the prediction model.

We found that our proposed model that includes individual critic’s review showed better prediction accuracy with a low prediction error than the model without individual critic’s review. The results emphasize the significant roles of critics and their reviews in the motion picture industry, which have been undervalued in the motion picture literature, particularly at the individual level.

Method and Data

In this study, we estimate movie ratings that critics have not yet evaluated using matrix completion, which infers users’ evaluations using users’ history data. In order to allow complex nonlinear relationships from variables, our study uses deep neural network (DNN), which consist of one input layer, two hidden layer and one output layer, to build the prediction model.

In order to find the best condition for forecasting, we also divided the data into six scenarios in accordance with the minimum number of critic reviews per movie. We increased the minimum number of critic reviews per movie over by 10 units. Then, each scenario had seven different tests. We always performed the first test with the original value, which
means no matrix completion, to define the baseline for each scenario. The remaining six tests followed the minimum number of reviews per critic, from 0 to 500 increasingly.

For data, we analyzed 2,918 movies released in the U.S. between 2012 and 2016 from three sources, The Numbers, Box Office Mojo, and Rotten Tomatoes. The explanatory variables are MPAA rating, genre, country of origin from, opening week gross revenue, gross revenue, number of screens during its opening weekend, and critic review data.

**Summary of Findings**
We found that the predictive power greatly improved when considering a critic’s individual level ratings. The results of the main analysis demonstrated that the predictive error decreased by 10.45% from the baseline. In order to validate this result, we tested the importance of explanatory variables by comparing how much the prediction error reduced by removing each variable from our model. As a result, the highest improvement in prediction error was 2.85% of opening week revenue, which is far less than 10.45%. This validates our hypothesis that an individual critic’s ratings are informative.

Additionally, our results demonstrate that more movies and more reviews do not always lead to better predictive power, even though the predictive power is improved by a greater amount when the number of missing entries becomes smaller. Because of the tradeoff between data sparsity and prediction error, our subsequent analysis demonstrated that there exists the minimum number of movies and reviews that perform the best regarding predicting box office revenue.

**Key Contributions**
The contributions of this study are as follows: Filmmakers can use matrix completion and deep learning algorithms to improve prediction by including the individual ratings of critics as a separate dimension. We differentiate our study from previous studies as an exploration of the undiluted value of critic reviews. Furthermore, this study will serve as an exemplar for implementing matrix completion and the deep learning technique to the marketing area, in which they are rarely applied.

*References are available on request.*
How Platform Insurance Police Drives the Growth of Sharing Economy

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Keywords: sharing economy, platform protection, quasi-experiment, platform reputation, information asymmetry, online reviews

Description: This research examines how platform protection insurance (PPI) that safeguards end consumers promotes network externalities in the sharing economy.

EXTENDED ABSTRACT

Despite the prevalent business practices of PPI, we have little evidence on how it promotes network externalities and the underlying behavioral changes in the wake of PPI. This paper addresses three key questions: (1) Can PPI drive the growth of buyers’ expenditure and sellers’ revenue? (2) If so, through what pathways it promotes network externalities, i.e. influences on buyers, sellers, and the marketplace? (3) What is the best targeting rule to design PPI?

Method and Data

We answer these questions by exploiting rich proprietary field data involving a natural quasi-experiment on a major food-sharing mobile app platform in Asia. This platform matches individual sellers who cook meals at their own kitchens to individual buyers who purchase meals on the app. Our data involve a natural quasi-experiment, where the platform implemented a PPI in case of product failures related to cooking hygiene conditions and food poison issues. Because the PPI is decided by the platform and exogenous to both sellers and buyers a priori, this is an exogenous shock allowing for causal effects inference through the regression discontinuity designs (Davis 2008; Imbens and Lemieux 2008). Our panel data have detailed records at both individual buyer and seller level over time, with more than 448,000 individual seller-week and 2 million buyer-week observations.

Summary of Findings

The results first suggest that PPI has a significantly positive effect on buyer-side expenditure and seller-side revenue. More nuanced analyses reveal a deeper understanding of the underlying processes of demand, supply, and marketplace changes regarding how PPI promotes network externalities.
For the demand side, PPI boosts buyer spending by enhancing the variety-seeking and risk-taking behaviors. We find that after PPI, buyers make more purchases, order from more sellers (more variety-seeking), and explore more new sellers (who are riskier relatively). Also, this positive effect is stronger for less satisfied buyers who tend to give lower ratings prior to PPI. These findings suggest that PPI serves as a quality signal and stronger safeguard for less satisfied buyers (who otherwise would exit) to seek a variety of sellers and explore new suppliers, with expanded network externalities.

Regarding the supply-side changes, the data suggest that PPI boosts sellers’ revenue by improving their customer retention and acquisition activities. After PPI, sellers attain more orders from existing buyers and acquire more new customers. The effects are stronger for less-power sellers who have lower ratings prior to PPI. These findings suggest that PPI ensures lower-power sellers with more business opportunities, avoiding the thorny “winners-take-all” problem and increasing network externalities.

About the marketplace, we find that PPI drives more business from new pairs of buyers and sellers, as opposed to from repeated pairs. This means PPI boosts the sorting and matching of buyers and sellers with higher market efficiency. After PPI, buyer satisfaction improves, and seller rating reputation increases, with stronger increases from less-power sellers and no price hike. Together, these suggest potential gains in platform reputation and network externalities.

Key Contributions
This research extends the literature on buyer protection. Prior studies note that since customers are risk averse, protection policies work as a risk-reducing mechanism and cover potential loss from product failures (Heal 1977; Johnson et al. 1993; Cleeren, van Heerde, and Dekimpe 2013). We contribute to this stream of research by revealing the pathways from PPI to network externalities. We reveal that PPI boosts demand-side spending by encouraging customer variety-seeking and risk-taking behaviors, with a stronger effect from less satisfied customers who would otherwise exit without PPI. The demand side boost then enables the supply-side sellers to improve their customer retention and acquisition activities, with a sturdier effect from less-power sellers who would be squeezed out without PPI. This translates to a better matching of new pairs of buyers and sellers, along with improved rating reputation. Together, this pathway evidence indicates less adverse selection, higher market efficiency, and expanded network externalities in the wake of PPI.

References are available on request.
Research Question
What are the properties of images that most affect consumers' decision-making process in online hotel bookings?

Method and Data
We use deep learning to extract information from hotel images and we apply a visual analytics model to understand the importance of this visual information in the online hotel booking process. We will combine a visual complexity score and a concept score to build an overall image score. This image score could then be used for future images to help decide what online travel agencies should show to consumers searching for a hotel.

The data is provided by a global online travel agency. The data consists of hotel information and consumer level search and click data.

Summary of Findings
We find an inverted u-shape relationship between the visual complexity of an image and the number of clicks search result page to the hotel page. These are preliminary results as we are early in the research process.

Key Contributions
Images are an important aspect of hotel listings on the website of online travel agencies, but their role has yet to be explored. Our method will create an understanding of the role of images in the decision-making process of online hotel bookings. Our framework will allow managers to leverage hotel images to attract consumers quickly and to provide them with visual cues that will facilitate their reservation.

References are available on request.
Complexity of Dynamic Marketing Processes

**Dynamic Marketing**

Hidden Price Promotions: Could Your Price Promotions Backfire?  
*Wenjing Li, David Hardesty, Adam Craig*  
CD-2

Prerelease New Product Sales Forecast Using Collaborative Network Activities  
*Peng Zhang, Sundar Bharadwaj, Guiyang Xiong*  
CD-3

A Review and Meta-Analysis of Experimental Effects in Brand Alliance Research  
*Mayoor Mohan, Jin Ho Jung, Kevin E. Voss, Fernando R. Jimenez*  
CD-5

Concept, Antecedents and Consequences of Marketing Imagination: The CMO’s Perspective  
*Eric Boyd, Carmen Abril*  
CD-7

Effect of Business Cycle Fluctuations on the Dynamics of Brand Equity: Role of Brand and Product Characteristics  
*Koushyar Rajavi, Tarun Kushwaha, Jan-Benedict Steenkamp*  
CD-9

The Effects of Interactivity of Electronic Word of Mouth Systems on Value Creation Practices on Social Media  
*Zaki Malik, Rojier Pir Mohammadiani*  
CD-12
Hidden Price Promotions: Could Your Price Promotions Backfire?

Wenjing Li, Stephen F. Austin State University
David Hardesty, University of Kentucky
Adam Craig, University of Kentucky

Description: This research provides important and relevant guidelines for marketers who want to implement hidden price promotions.

EXTENDED ABSTRACT

Research Question
Are hidden price promotions more likely than traditional price discounts to generate sales? Will consumers feel more curious and excited about these promotions or will they experience greater disappointment? What conditions favor the use of each pricing tactic?

Key Contributions
With increased competition, more and more firms, such as Delta and LivingSocial, have started to use hidden price promotions, possibly intended to increase interest in a particular product. Hidden price promotions are price promotions in which the final price is not revealed when consumers first encounter the product. Instead, there is a delay between the time when consumers observe that there is a price promotion and the time when they are informed of the final price. A number of questions emerge regarding the effectiveness of this tactic. Are hidden price promotions more likely than traditional price discounts to generate sales? Will consumers feel more curious and excited about these promotions or will they experience greater disappointment? What conditions favor the use of each pricing tactic? Although no research has directly examined the effectiveness of hidden price promotions relative to traditional price promotions, extant research on uncertain promotions seems to support the adoption of hidden price promotions. Despite the predicted benefits of uncertainty and increased commitment associated with hidden price promotions, there is also the possibility that discount expectations are elevated when marketers use hidden price promotions. The current research resolves these competing predictions by investigating whether hidden price promotions increase or reduce consumers’ purchase intentions. For marketers, the results suggest that hidden price promotions are only effective at increasing purchase intent when discount levels are high and when the purchase type is cognitive. Alternately, traditional price promotions should be used for modest discounts and for affective purchases. Theoretically, discount expectations and negative affect serially mediate these results. This research offers for-profit firms beneficial information regarding the best situations to employ hidden and traditional price promotions. Theoretically, the research supports the role discount expectations have on negative affect in impacting the success of each pricing tactic.

Summary of Findings
Across three studies, we reveal that hidden price promotions can be effective, but risk increasing price discount expectations. Consumers hold an innate optimism that they will receive a large discount. When the discount level meets or exceeds expectations, then the excitement built by the promotion may result in a sale. Hidden price promotions are more effective than traditional ones in generating sales when providing a large discount. The discount level is identified as a moderator. When discounts are large, hidden price promotions outperform traditional price promotions.

References are available on request.
Prerelease New Product Sales Forecast Using Collaborative Network Activities

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Keywords: knowledge collaboration dynamism, prerelease new product forecast, functional data analysis

EXTENDED ABSTRACT

Research Questions
1. What is the relationship between the prerelease evolutional trajectories of people’s online knowledge-collaborative activities and the new product sales right after launch?

2. Does the use of these prerelease trajectories improve the accuracy of new product sales forecast, compared to methods based on cumulative and aggregated prerelease data?

Method and Data
We selected Wikipedia’s English website (en.wikipedia.org) as the pilot platform of knowledge collaboration, given its nationwide presence and broad user base. We collected 229,852 unique editing activity data for 681 video games which were newly launched to the U.S. market within the timeframe of 2011 and 2017, without any prior versions or sequels available.

We utilized functional data analysis (FDA) method to recover the evolutionary trajectories of the editing history of each video game prior to the formal release and use those trajectories as the unit of analysis for predictive modeling.

Summary of Findings
Our study shows that trajectories of prerelease knowledge-collaborative activities on Wikipedia are significant factors to be considered for new product sales forecast, along with advertising spends, preorder volume, and the number of available platforms. Moreover, these trajectories are also effective and efficient for early forecasting, up to 3 months ahead of the novel product’s release date. Using the FDA model, we successfully captured the evolution and heterogeneity of these online knowledge-collaborative activities, which are extremely important for NPS forecast modeling estimation.

Key Contributions
To our best knowledge, this is the first study which incorporated the evolutionary trajectories of people’s online knowledge-collaborative activities for prerelease new product sales forecast. Given the easy accessibility and rich repository of the online knowledge-collaborative data, our study illustrates a more feasible and accurate approach for prerelease new product sales forecast than approaches based on aggregated measures. We also theoretically uncover factors driving the evolution of these trajectories, which provides meaningful managerial implications to optimize marketing strategy and further drive new product sales.

Research Questions
In this study, we examine the unique role of online community (OC), as a platform for knowledge collaboration and investigate how users’ knowledge collaborative activities on these platforms could be applied to undertake prerelease new product sales forecast for novel products. We ask two research questions: (1) What is the relationship between the prerelease evolutional trajectories of people’s online knowledge-collaborative activities and the new product sales right after launch? (2) Does the use of these prerelease trajectories improve the accuracy of new product sales forecast, compared to methods based on cumulative and aggregated prerelease data?

Method and Data
We selected the Wikipedia’s English website (en.wikipedia.org) as the OC platform of knowledge collaboration, given its nationwide presence, broad user base, and extensive rela-
relationship with the video game industry. Our data collection involves two steps. First, we use VGChartz to identify 731 new video games released between 2011 and 2017, which did not have any previous versions available in the U.S. market prior to the official release (i.e., novel games). Associated with these 731 new video games, there are 140,610 orders placed in the opening week. Besides opening week orders, we have also collected data, on preorder volume, developer and publisher, console platform, genre for each of the new video games. Second, we searched each of the 731 new video games on en.wikipedia.org to filter out video games that do not have their own dedicated Wikipedia pages. Next, we compared these games’ Wikipedia page creation date with their release date to filter out games whose Wikipedia page were created after the official release. In the end, 681 out of the original 731 video games remained in the sample. A total of 229,852 unique editing records were retrieved during the time period for these 681 video games.

Given the heterogeneity and the high dimension of the independent variables (i.e. the trajectories of people’s knowledge collective activities on Wikipedia.org), coefficient estimation based on traditional econometric techniques (e.g., OLS, Time Series Analysis, etc.) will be biased and inconsistent. Therefore, we use functional data analysis (FDA) approach to overcome all these challenges. The gist of FDA is to utilize a nonparametric technique to first transform the evolutionary trajectories into some continuous functions. Next, we apply functional principal component analysis (fPCA) to generate a few component scores capturing the most variation of the trajectories for each video game and each variable. By so doing, we achieve the goal of dimension reduction. Typically, the top four to five component scores are good enough to capture more than 95% of the trajectory variation. Finally, we extracted the top component scores for each video game and each independent variable. Then, we regressed the dependent variable on these component scores to uncover the link between people’s knowledge collaborative activities and prerelease NPS forecast.

Summary of Findings
Utilizing FDA technique, we successfully captured the evolution and heterogeneity of the online knowledge-collaborative activities and validated the superiority of using trajectories of prerelease knowledge-collaborative activities for new video games’ prerelease forecast. Moreover, these trajectories are also effective and efficient for early forecasting, up to 3 months ahead of the new product’s release date, which is of tremendous value for managers to conduct logistics planning, control losses due to product failure, and fine-tune marketing mix strategies in an early stage.

Key Contribution
To our best knowledge, this is the first study which incorporated the evolutionary trajectories of people’s online knowledge-collaborative activities for prerelease new product sales forecast. Given the easy accessibility and rich repository of the online knowledge-collaborative data, our study illustrates a more feasible and accurate approach for prerelease new product sales forecast than approaches based on aggregated measures. We also theoretically uncover factors driving the evolution of these trajectories, which provides meaningful managerial implications to optimize marketing strategy and further drive new product sales.

References are available on request.
A Review and Meta-Analysis of Experimental Effects in Brand Alliance Research

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Keywords: brand alliances, meta-analysis, experimental design, effect sizes

Description: In addition to conducting a systematic review, this research extrapolates effect size data from 103 experiments from 95 articles to conduct a meta-analysis that determines the relative effect of a brand alliance on key outcome measures like perceived quality evaluations, purchase intentions, and attitudes toward the brand.

EXTENDED ABSTRACT

Research Question
Brand alliance research has been both well received and voluminous with over 25 publications in the top-tier marketing journals (e.g., Journal of Marketing, Journal of Marketing Research, Journal of Consumer Research, etc.) alone. Given the importance of this stream of research, the field has not, however, paused to take stock of the vast body of findings—an undertaking often accomplished by way of a systematic review and a meta-analysis. This research steps into this void by conducting a review and meta-analytic investigation to determine, relative to one another, whether the brand alliance effect is stronger on perceived product quality evaluations, attitudes toward the brand, or purchase intentions. The three variables represent, by far, the most commonly used outcomes in brand alliance studies.

Method and Data
This research conducts a meta-analysis of effect sizes from experimental studies on brand alliance phenomenon. Based on an extensive search, a sample of 257 articles was identified which was narrowed down to 95 experimental studies containing 103 experiments. Effect sizes, particularly Cohen’s d, were calculated to conduct the meta-analysis. Note that such approaches to meta-analyses are exceedingly rare, especially given the propensity (and relative ease) of doing meta-analyses using correlation data from survey-based studies.

Summary of Findings
The meta-analysis results indicate that our findings are robust and consistent with prior studies. Particularly, the most strongly related outcome of a brand alliance was product quality (delta = .39), followed by attitudes toward brand (delta = .33), and purchase intention (delta = .32). However, the three relationships are not statistically different from one another because all three confidence intervals associated with the respective deltas overlap. We believe that statistical indifference among three relationships are largely due to the fact that different experiments have unique ways of manipulating scenarios, diverse subjects, and varying sample sizes.

Key Contributions
From a theoretical perspective, the current study contributes to the stream of literature on brand alliances by simplifying conflicting definitions, divergent theoretical foundations, and inconsistent results. Therefore, it represents a timely attempt to take stock of existing findings and set the course for future scientific inquiries into the brand alliance phenomenon. From a methodological contribution perspective,
while meta-analyses based on correlational data are relatively commonplace, the current study is one of few, if not the first, that seeks to conduct a meta-analysis based on effect size data from experimental studies. This is necessary since the vast majority of brand alliance research has adopted experimental research designs.

References are available on request.
Concept, Antecedents and Consequences of Marketing Imagination: The CMO’s Perspective

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Keywords: imagination, prefactual thinking, marketing capabilities

Description: This paper aims to define marketing imagination from the perspective of the CMO.

EXTENDED ABSTRACT

Research Question
A critical factor linked with marketing success is imagination because of its contribution to innovative products (Pelaprat and Cole 2011; Richer 2008), successful promotional campaigns (Andrew and Smith 1996) and new market opportunities (Hamel and Prahalad 1991). However, the business press describes marketing as being unimaginative within many firms, blaming many factors including marketing accountability (Trufelman 2007) and the rise of technology like social media (Yohn 2010).

This conceptual research uses the lens of prefactual thinking to define the construct of marketing imagination from the managerial perspective of the CMO. The authors address four key questions: (1) What is marketing imagination? (2) What is the theoretical process underlying imagination? (3) What are the antecedents impacting the occurrence of marketing imagination? and (4) What are the outcomes associated with marketing imagination? The authors explain the differences of the marketing imagination construct against other related constructs and they describe the relevance of marketing imagination to companies’ competitiveness. The authors advance specific propositions that describe these effects. The article concludes with a call for additional research relevant to the study of marketing imagination.

Method and Data
A qualitative research is designed involving in-depth interviews with 16 CMOs and marketing leaders from the United States and Europe. The sample consists of marketing leaders (e.g., CMO) who were chosen because of their broad understanding and responsibility for marketing within firms. Initial participants were recruited through convenience sampling and theoretical sampling was subsequently used to identify new participants (O’Reilly, Paper, and Marx, 2012). Each interview lasted more than 45 minutes in length and all interviews were transcribed and analyzed using a comparative method process that identified recurring ideas and rearranged them to uncover additional themes. The final sample of 16 individuals surpasses the criteria of eight long qualitative interviews set by McCracken (1988). Sixty percent of subjects were female and forty percent were male.

Summary of Findings
The interviews supported viewing marketing imagination as a knowledge creation process. The interviews also pointed out that key to distinguishing market imagination from related constructs like creativity is that marketing imagination is not fettered by the past and what exists but represents something truly novel. Importantly, the interviewees saw marketing imagination as being a key contributor to achieving the imagined brand, firm, and market outcomes.

One group of antecedents of marketing imagination involved external firm factors. The first of these was a firm’s current customers who were often seen as an obstacle. A firm’s industry also influenced the opportunity to undertake marketing imagination by providing stimuli for individuals within a firm.

Several factors within a firm influenced the occurrence of marketing imagination. One factor is the role of marketing.
However, it was pointed out that the positive impact of marketing’s role lessens the longer individuals spend within the same marketing position within a firm. A second internal firm factor of importance is firm culture and the extent to which it is professionally safe to undertake marketing imagination. Finally, another contributing to a culture supportive of marketing imagination is an emphasis on marketing accountability within a firm.

**Key Contributions**

Analysis of the interviews enabled the research to make several contributions to the marketing literature. First, the research provides the basis for a formal definition of marketing imagination: Marketing imagination involves the creation of knowledge distinct from anything currently existing that describes long-term future outcomes and antecedents associated with market performance and behavior. The definition reflects marketing leaders view of marketing imagination as a knowledge creation process focusing on possible market outcomes in the distant future that can enhance brand and market performance by influencing future market behavior.

A second contribution of the research is the identification of important antecedents impacting the occurrence of marketing imagination within firms. The set of antecedents aligned with two groupings involving factors external and internal to a firm. The external factors included a firm’s current customers and the industry within which it competed.

Together, the definition and the conceptual model identified in the research provide an important first step towards expanding research on marketing imagination from a managerial perspective. They also provide much needed guidance for firms seeking to infuse imagination into their marketing efforts.

*References are available on request.*
Effect of Business Cycle Fluctuations on the Dynamics of Brand Equity: Role of Brand and Product Characteristics

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Keywords: brand equity, business cycle, time series, Hodrick-Prescott Filtering

EXTENDED ABSTRACT

Research Question
1. Do the business cycle fluctuations contribute to temporary changes in brand equity?
2. Do the business cycle fluctuations have permanent impact on brand equity?
3. Which brand and product category characteristics explain heterogeneous effect of business cycle fluctuations on brand equity?

Method and Data
Our methodology consists of several steps including estimation of brand equity using the widely accept “intercept” approach. Hence we use sales and marketing mix data for multiple CPG brands in the UK from 1994 to 2010 and estimate yearly fixed effects for each brand as annual measures for brand equity. Then we use time-series filtering (HP filters) to extract cyclical and trend components of brand equity estimates as well as the cyclical component of the business cycles. Finally we regress cyclical and trend components of brand equity estimates on cyclical component of business cycles.

Summary of Findings
Our empirical analysis suggested that cyclical business cycle changes have temporary and permanent impacts on brand equity. We showed that for majority of brands, brand equity shows cyclical behavior; that is, brand equity increases in economic upturns and decreases in economic downturns. Our meta-analytic analysis suggested that these results are statistically significant. However, the degree to which brand equity is affected by business cycle variations is not homogenous across different product categories and different brands. We showed that in categories with low product involvement, brands are more strongly influenced by business cycle changes than in categories with high product involvement. In high involvement product categories, consumers are more concerned with purchasing high quality products. As such, in high involvement product categories, the quality signaling role of brand names protects branded products and their equity during difficult economic times. We also showed that brands that advertise more are more resistant to temporary impacts of business cycle fluctuations and that higher priced brands are more affected by business cycles than lower priced brands. Additionally, we found that advertising is particularly helpful to brands in high involvement product categories. Finally, we showed that the heterogeneity in the temporary impact of business cycles on brand equity across low and high priced brands is only meaningful in categories with low price-quality relationship.

Key Contributions
Our study contributes to two streams of research. A large body of research in marketing has focused on the drivers of brand equity. Past research shows that different factors such as marketing mix instruments, consumer attitudes, corporate social responsibility, order of entry, and intergenerational influences affect brand equity. Previous research primarily focuses on factors that can be influenced by marketing managers and places less emphasis on external factors that could influence brand equity. Our study complements the literature for further information contact: Koushyar Rajavi, Georgia Tech (koushyar.rajavi@scheller.gatech.edu).
on drivers of brand equity by studying important external factors—i.e., business cycle fluctuations—and their impact on brand equity.

Our study also contributes to the growing body of research on the impact of macroeconomic factors and business cycle fluctuations on marketing and business-related phenomena. Past research has established that business cycles influence sales of durable goods, consumers’ shopping frequency, advertising effectiveness (Van Heerde et al. 2013), marketing conduct over the business cycle, private label share, and inventory investment. Our study complements this body of research by investigating the impact of business cycles on brand equity. Comparing temporary impact of business cycles on brand equity with findings from past research is noteworthy. This comparison suggests that although brand equity is influenced by business cycle fluctuations, it is more robust to business cycles in comparison to advertising expenditures and private label shares.

Our findings help brand managers gain insights regarding potential changes in their brand’s equity due to the business cycle changes, heterogeneity in brands’ susceptibility to business cycle variations across different categories, and marketing mix instruments that could make brands more resilient to macroeconomic changes. Thus, our findings would help brand managers be more strategic regarding their marketing mix instruments across different macroeconomic conditions and different product categories. The findings would also be important to retail managers. By knowing about dynamics of brand equity over time and across different product categories, retail managers will be able to understand in which categories brands might hurt during economic slowdowns and therefore choose the appropriate product category assortment in order to maximize store revenues.

The concept of brand equity has drawn considerable attention from marketing researchers and practitioners. For most firms, brand equity is an invaluable asset. Firms spend millions of dollars to build and maintain brand equity because they believe they will benefit from such investments in product market outcomes as well as financial market outcomes (Keller 1998). Companies often create the position of brand equity manager to focus on building brand equity and consulting firms like Interbrand, Millward Brown, and Young & Rubicam evaluate and track brand equity, and offer guidance to firms on how to improve brand equity. In an era of ever greater accountability, brand managers are more interested in tracking the equity of their brands (Sriram, Balachander, and Kalwani 2007). A decline in brand equity may call for remedial action while an increase in brand equity may be regarded as a signal that the current strategy is effective. However, we submit that brand equity may be systematically affected by factors that are out of managers’ control. Failure to understand and incorporate such factors may lead to erroneous responses (e.g., panic when brand equity goes down or complacency when it increases). Hence, implementing a successful branding strategy calls for full understanding and awareness regarding factors that are out of managers’ control yet influence brand equity.

Macroeconomic conditions surrounding the marketplace are inevitable factors that are shown to impact marketing-related phenomena (Estelami, Lehmann, and Holden 2001; Deleersnyder et al. 2009; Lamey et al. 2012). Although managers cannot influence macroeconomic conditions, it is critical for marketers to understand how consumers react to business cycle fluctuations. Knowing about reliance of consumers on brand names in their purchase decisions is important for brand managers who are responsible for setting marketing mix of their brands and for retail managers who care about choosing the right mixture of products in order to maximize store revenues. Regarding importance of brands at different macroeconomic conditions, previous research implies that at times of economic difficulty, consumers become more price sensitive (Estelami, Lehmann, and Holden 2001), and as a result of the increased weight assigned to price in their decision-making criteria, it is also likely that branded products become less important to consumers (Lamey et al. 2012). Industry reports have also allude that during economic downturns consumers may become less loyal towards branded products suggesting a potential reason for reduction in their equity (Pointer Media Network 2009; Bowmer 2011). Despite theoretical arguments and anecdotal evidence, marketing literature lacks empirical evidence on this important matter.

Moreover, there is indication that different brands across different categories get heterogeneously affected by business cycles (i.e., recurring fluctuations in overall economic activity that occur around its long-term growth trend). In a 2010 Interbrand study on consumer spending during the financial crisis it was reported that “consumers have been reluctant to decrease spending on certain categories that are considered either life-essentials or related to health. […] There are some categories, however, where consumers are willing to switch to private label and store brand products in an effort to save.” (Lowham and MacLennan 2010, p. 3). Moreover, the Interbrand study reported that consumers remained loyal towards certain brands (e.g., Coca-Cola, Pampers) even during the global financial crisis. What makes certain brands and brands in certain product categories more resilient to business cycle fluctuations? In order to answer this important question, we investigate brand level and category level factors that explain the heterogeneity in the relationship between business cycles and brand equity.
Business cycles have been shown to have long lasting effects on consumer behavior and their product preferences (Deleersnyder et al. 2009; Lamey et al. 2012). As such, another question that warrants attention is whether the effect of business cycle on brand equity persists in the long run or it only affects the brand temporarily. Overall, we aim to address the following key research questions:

- Do the business cycle fluctuations contribute to temporary changes in brand equity?
- Do the business cycle fluctuations have permanent impact on brand equity?
- Which brand and product category characteristics explain heterogeneous effect of business cycle fluctuations on brand equity?

We investigate our research questions in the context of leading national brands in the CPG industry in the United Kingdom (UK). In doing so, we utilize monthly data on 149 CPG brands in 37 categories across 17 years. We use well-established econometric techniques to measure time-varying brand equity estimates and business cycle fluctuations. We find that brand equity is temporarily and permanently impacted by business cycles and that it behaves cyclically; brand equity increases in economic upturns and decreases during economic downturns. We also find that brand equity of brands that advertise more, are lower priced, and brands in high involvement product categories are more resilient to business cycle fluctuations.

*References are available on request.*
The Effects of Interactivity of Electronic Word of Mouth Systems on Value Creation Practices on Social Media

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Keywords: social media, value creation, social media marketing, consumer engagement, online shopping

EXTENDED ABSTRACT

Research Questions
1. How does the interactivity of EWOM system influence customer value creation practices in social media?
2. What is the inter-relationship between value cocreation and EWOM within the SNS context (or) How the interactivity of EWOM influences on loyalty of users through value creation in brand community?

Method and Data
The data were collected through a survey, partial least squares path modeling (PLS-PM) was used to test research model.

Summary of Findings
The results show that perceived interactivity (in terms of reciprocity, responsiveness, nonverbal information, and speed of response) are very influential on users' evaluation of an entire brand community and their level of participated in value creation practices including: community engagement practices, impression management practices, and brand use practices. Contrary to expectations, the effect of interactivity of EWOM systems on the social networking practices was not significant. Furthermore, these four value creation practices could significantly enhance brand loyalty directly.

Key Contributions
This study is expected to contribute to the theoretical and applied literature. The results of this study provide new insights into issues related to the inter-relationship between value cocreation and interactivity of EWOM within the SNS context. Practitioners can also develop a deeper understanding on developing SNS-based customer relationship management strategy from this work.

References are available on request.