2019 Summer AMA Conference

Marketing on Fire: Burning Questions, Hot New Methods, and Practical Ideas Worth Spreading

August 9–11, 2019 | Chicago, IL

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**Points of Purchase**: Abhijit Guha, University of South Carolina & Ayelet Israeli, Harvard University

**On People & Brands**: Joey Hoegg, University of British Columbia & Sonia Monga, Rutgers University
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Regulating Institutionalized Player in Peer-to-Peer Markets: Evidence from Airbnb
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The Battle for Homes: Is Home Sharing Disrupting Rental or Housing Markets?
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The Impact of Fake News on Brands and Social Media
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Positioning High- and Low-Status Brands in Social Media: The Potential of Communication Style
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Understanding the Antecedents and Outcomes of Brand Evangelism in the Digital Environment
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The Personalization-Privacy Paradox in Attention Economy
Julien Cloarec

The Effects of Marketing Intrusiveness, Privacy Knowledge, and Privacy Protecting Behaviors on Consumer Attitudes About Privacy and Personal Data Exchanges
Donna M. Iucolano, Rakesh Niraj, Kalle Lyytinen

Social Media Marketing
Social Media Marketing Signals and Customer Engagement Behaviors (CEBs): Does Cultural Orientation Matter?
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The Impact of Social Media Marketing on Customer Relationships and Purchase Intention
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Effects of Targeted Social Media Advertising on College Campus Engagement with Registered Student Organizations
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E-Marketing Mix Framework for Creating Online Brand Equity: An Indian Perspective
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Estimation of Allocative Externality and Advertiser’s Maximum Willingness to Pay for Online Advertisements
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Do Online Searches Influence Sales or Merely Predict It? The Case of Motion Pictures
Ho Kim

How We Feel: The Role of Macroeconomic Sentiment in Advertising Spending-Sales Relationship
Leila Khoshghadam, Yuping Liu-Thompkins

The Causal Effect of Platform Free Promotion on Redeemers vs. Nonredeemers
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Dynamics of Products on Social Tagging Network: Insights for Demand Forecast and Positioning

Hyoryung Nam, Bill Rand, P.K. Kannan

**Consumer Behavior and Social Medias**

Happiness as a Driver of Social Exchanges

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The Effects of Habit and Attitude on Facebook Usage

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Affinity to Online Memory and Brand Loyalty: Analysis in the Light of Loneliness and Brand Categories

*Satadruta Mookherjee, Smaraki Mohanty*

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*Pei-Shan Soon, Sanjaya Singh Gaur, Jessica Sze Yin Ho*

Culture’s Influence in Social Media Enabled Global Virtual Teams

*Anshu Arora, Amit Arora, Vas Taras*

An Examination of the Impact of Consumers’ Social Media Connectedness to Celebrity Endorsers on Purchase Intentions for Endorsed Products

*Gina A. Tran, Atefeh Yazdanparast, David Strutton*

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**The Numbers Game: Pricing in the Eyes of Consumers and Firms**

### Numbers 1

The Divergent Effects of Even and Odd Brand Names on Consumer Responses to Iterated and Noniterated Products

*Dengfeng Yan, Kris Qiang Zhou, Richard Gretz*

Customer Participation in Pay-What-You-Want Pricing

*Seema Bihari, Ashwini K. Awasthi, Arvind Sahay*

How to Frame Dynamic Prices: The Differential Effects of Different Framing Formats of Dynamic Prices on Customers’ Price Perceptions and Purchase Decisions

*Mila Vogelsang, Alisa Keller, Dirk Totzek*

### Numbers 2

Contract Preferences with New Entrant Entry Under Asymmetric Information

*Hao Liu, Gengzhong Feng*

Reexamination of the Ikea Effect Using the Hedonic Pricing Method

*Chih-Ning Chu, Wenkai Zhou, Ting-Yuan Huang*

Cookie-Cutter Competition: Multiproduct Firms Under Uniform Pricing

*Gianluca Antonecchia*

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**UX Offline/Online: Managing Customer Experience and Value**

### Customer Experience in the Sharing Economy

The Joint Process of Value Cocreation in the Airbnb Setting

*Yangyang Jiang, M.S. Balaji*

Driving the New American Dream: Investigating Sharing Economy Worker Motivations

*Mark R. Gleim, Catherine M. Johnson, Stephanie J. Lawson, Jennifer L. Stevens*
Spillover Effects of Home Sharing on Local Markets: Evidence from Local Tourist Attractions
Karen Xie, Wei Chen, Yong Liu

Customer Engagement
Social Media Brand Posts and Online Customer Engagement
Zhan Wang, Shihhao Liu
When Do the Best Service Agents Decrease Customer Retention? An Investigation of Online Service Platforms, Customer Defection, and Platform Exploitation
Kris Qiang Zhou, Bradley J. Allen, Richard Gretz, Mark Houston
Bridging Two Tales of Engagement: An Initial Meta-Analytic Review of Employee and Customer Engagement in Frontline Employee Research
Kristina K. Lindsey Hall, Eric J. Michel, Ji ‘Miracle’ Qi, Matt Leon, Laurence Weinzimmer, Anthony Wheeler, Sven Kepes, Danli Chen

New Service Channels
The Effects of AI Chatbot Disclosure for Conversational Commerce
Siliang Tong, Xueming Luo
When Beauty Comes to Your Home: Profiling the On-Demand Beauty (ODB) Consumer
Jie Sun, Peter McGoldrick
Gen Zs Vs. Millennials’ Value Perceptions and Satisfaction with a Retail Store’s Omnichannel Customer Experience
Adesegun Oyedele, Monica D. Hernandez, Roberto Saldivar
A Cross-Cultural Exploration of How Necessary Evil Discourages the Subsequent Misbehavior of Other Customers
Yu-Shan (Sandy) Huang, Xiang Fang, Ruping Liu

Customer Well-Being
To Do or Not to Do? Exploring the Focal Role of Affective Well-Being in Customer Participation
Aswathy Asokan Ajitha, Piyush Sharma, Russel P.J. Kingshott, Arshinder Kaur, Upendra Kumar Maurya
The Role of Sports Events in Boosting City Brand Equity: The Case of Egypt: A Working Paper
Ahmed M. Adel, Huazhong University of Science and Technology
Abeer Mahrous, Ehab AbouAish
Telemedicine: A Service-Dominant Logic Perspective: A Conceptual Paper
Ahmed M. Adel, Dai Xin, Zahraa Habib

Service Encounters
Service Brand Experience: A Qualitative Research Approach
Constanze Schaarschmidt
Effect of “Hidden” Messages in Service Encounters on Customer Satisfaction and Moderating Role of Regulatory Focus
Satoko Suzuki
Frontline Employee Team Consensus, Commitment to Service Quality, and Customer Experience
Horace L. Melton, Michael D. Hartline
Customer Process Clarity in Fragmented Services Contexts
Stephen Hampton, Lisa Scheer
Marketing Doctrine in Public Sector Undertakings in an Emerging Market
Srinivasan Swaminathan, Sandeep Patnaik, Rajiv Nag
Return Attributes That Matter! An Abductive Research Approach to Study Return Attributes of the E-Tailing Firms and Customer Outcomes  
_Shilpi Saxena, Vaibhav Chawla, Richa Agrawal_  
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Doing It My Way: The Mediating Role of Deviating from Company Sales Guidelines  
_Justin R. Munoz, Gary L. Frankwick, Gabriel Moreno, Milton Axel Flores_  
UXO-39
Dear colleagues,

We are pleased to have you at this year’s 2019 AMA Summer Academic Conference—Marketing on Fire: Burning Questions, Hot New Methods and Practical Ideas Worth Spreading—which will take place August 9–11 at the Chicago Marriott Downtown Magnificent Mile.

In addition to the research presentations and roundtables that define the Summer AMA conference, this year we are heating things up with two exciting new features:

1. Master Class Sessions: Taught by experts in our field, the Master Class Sessions give conference attendees the opportunity to learn about the latest methods and topics in an intimate, interactive classroom experience. From neuroscientific methods to machine learning, statistical interaction insights to the latest in qualitative methods, participants will have the opportunity to attend two Master Class Sessions during the conference (registration required; free for conference attendees).

2. Practitioner Panel: Featuring participants from companies like Amazon, Facebook, Salesforce.com, and more, the practitioner panel will help build new bridges between our academic community and marketing practitioners. What sort of marketing questions do practitioners need answered? What sort of research collaborations are possible with some of the world’s leading companies? How can marketing academics ensure their work is put into practice and transform consumer experiences? The practitioner panel will address these questions and more over cocktails before leading into the Working Paper/Poster reception.

In addition to these exciting new opportunities, participants will also be able to learn best practices in an interactive Meet the Editors session, learn how to write and respond to reviewers in a special session with key leaders in our field, engage with on-site partners to improve teaching effectiveness, and, of course, socialize in one of the world’s best cities!

Keisha Cutright
Duke University

James Alvarez Mourey
DePaul University

Renana Peres
Hebrew University of Jerusalem
Awards

Best Paper in Conference
The Effects of AI Chatbot Disclosure for Conversational Commerce
Siliang Tong, Temple University
Xueming Luo, Temple University

Best Papers in Tracks

Consumer 360°: Understanding Consumers from Multiple Perspectives
Nan Zhang, Heng Xu, American University

Art of Promotion: Advertising, Promotions, and Integrated Approaches
When App-Rooming Promotions Work for Multichannel Shoppers: A Field Experiment
Siliang Tong, Temple University
Xueming Luo, Temple University
Takeshi Moriguchi, Waseda University
Debashish Ghose, Temple University

UX Off/Online: Managing Customer Experience and Value
The Effects of AI Chatbot Disclosure for Conversational Commerce
Siliang Tong, Temple University
Xueming Luo, Temple University

B2*: Selling and Sales Management in Business and Consumer Markets
“A Little Something of Everything”: Exploring the Unconventional Relationship Between Job Stressors and Salespeople’s Service Adaptive Behavior
Raj Agnihotri, Iowa State University
Ashish Kalra, La Salle University
Michael T. Krush, Kansas State University
Prabhat K. Dwivedi, STEP-HBTI

The Digital World: Digital and Social Media Marketing
The Impact of Fake News on Brands and Social Media
Maya F. Farah, Lebanese American University
Zahy Ramadan, Lebanese American University
Ali Mahdi, Lebanese American University

Society and Culture: Exploring Consumer Culture and Diverse Communities
Need for and Development of a Consumer Acculturation Tool: Index Development and Scale Refinement
Kristina M. Harrison, Old Dominion University
John Ford, Old Dominion University
Kiran Karande, Old Dominion University
Altaf Merchant, University of Washington
Weiyong Zhang, Old Dominion University

On People and Brands: How Consumers Perceive, Interact with, and Communicate About Brands
Original versus Counterfeit Patronage: Do Emotional Brand Attachment, Brand Involvement, and Past Experience Matter?
Data Collection and Analytics: Marketing Research, Methods, and Analysis
How to Capture Model (Mis-)specification in Structural Equation Modeling
  Nadine Schröder, University of Regensburg
  Andreas Falke, University of Regensburg
  Herbert Endres, University of Regensburg

Points-of-Purchase: New Frontiers in Retail
In-Store Digital Projections: How Vividness Impacts Sales
  Dhruv Grewal, Babson College
  Elisa Schweiger, University of Bath
  Anne L. Roggeveen, Babson College
  Carl-Philip Ahlbom, Stockholm School of Economics
  Jens Nordfält, University of Bath

Consumer Well-Being: Physical, Financial, and Emotional Health
Unlocking the Dynamics of Subjective Financial Well-Being in Retirement
  Teagan Altschwager, Melbourne Business School
  Jody Evans, Melbourne Business School

An Innovation Is Born: Innovation, Creativity, and New Product Development
Divesting Development? The Impact of Share Repurchases on Corporate Innovativeness
  Mario Vaupel, RWTH Aachen University
  David Bendig, RWTH Aachen University
  Malte Brettel, RWTH Aachen University

Planning and Execution: Marketing Strategy
After the Sun Comes Rain: The Impact of Initial Public Offerings on Market Strategy
  Bardo Droege, RWTH Aachen University
  Steffen Strese, RWTH Aachen University
  Andrea Greven, RWTH Aachen University

Marketing for Good: Ethics and Socially Responsible Marketing
Corporate Social Responsibility and Financial Performance from a Consumer Perspective: An Application of Value Engineering Theory
  Ke Chen, Xiamen University
  Lei Xu, Agricultural Bank of China, Yongkang Subbranch
  Xina Yuan, Xiamen University
  Feng Xiong, Xiamen University

The Numbers Game: Pricing in the Eyes of Consumers and Firms
The Divergent Effects of Even and Odd Brand Names on Consumer Responses to Iterated and Noniterated Products
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Xiaoyu Wang, South China University of Technology
Feng Wang, Bentley University
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Kimberlee Weaver, University of Haifa
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Charles Wood, The University of Tulsa
Arch George Woodside, Coastal Carolina University
Ge Xiao, Wilkes University

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Karen Xie, University of Denver

Jin Zhe Yan, SKKU

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Qing Ye, Wuhan University
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Weiwei Zhang, Hartwick College
Yufei Zhang, University of Alabama at Birmingham
Miao Zhao, Roger Williams University
Liang Zhao, St. Ambrose University
Zhimin Zhou, Shenzhen University
Qiang Zhou, University of Texas at San Antonio

Karen Xie, University of Denver
An Innovation Is Born: Innovation, Creativity, and New Product Development

**AI and Big Data in the Service of Marketing**

The Use of Machine-Generated Creativity in Marketing
*Christine Marie Auer, Silke Bartsch*

The Effects of Artificial Agents (AA) on Consumer Attitudes: Resisting AA Recommendation in Symbolic Consumption
*Yaeri Kim*

Using Big Data to Leverage Customer Need Diversity in Radical Innovations
*Tereza Dean, Haisu Zhang, Yazhen Xiao*

**Stock Markets and Innovation**

Divesting Development? The Impact of Share Repurchases on Corporate Innovativeness
*Mario Vaupel, David Bendig, Malte Brettel*

How New Product Preannouncements Affect Stock-Listed Innovators: The Case of Book Adaptations
*Rouven W. Schwerdtfeger*

Global Product Launches and Firm Value
*M. Berk Talay, Michael Obal, Billur Akdeniz, Janell Townsend*

**Effects of Knowledge, Behavior, and Culture on Innovation**

Fast, Innovative, but Not Radical: How Customer Knowledge Boosts New Product Development
*Oliver Burger, Tessa Christina Flatten*

The Impact of Different Types of Market Orientation on New Product Development Performance: Considering the Effect of Knowledge Base
*Renfang Liu, Ci Zeng, Xina Yuan, Hailin Zhang*

CEO Testosterone and New Product Introduction
*Arpita Agnihotri, Saurabh Bhattacharya*

Innovative Culture: Implications for Marketing Innovation and Brand Outcomes in Exporting Organizations
*Marios Theodosiou, Ahmed S. Gaara, Evangelia Katsikea, Pascale Hardy*

**Entrepreneurship, New Products, and Performance**

Entrepreneurial and Alliance Orientation Alignment: Implications for New Product Development Process, Program, and Performance
*Adriana Amaya Rivas, Yen-Chun Chen, Ta-Kai Yang*

Customer Involvement and New Product Performance: The Mediating Role of Marketing and Technological Capabilities
*Yen-Chun Chen, Hsien-Tung Tsai, Todd J. Arnold*

International Entrepreneurial Culture and International New Venture Performance: The Mediating Role of Entrepreneurial Marketing
*Dominic Bucciari*

Scale Development of Synergistic Capability Based on Logistics Innovation and Its Effect on Market Orientation and Performance
*Wang Xiaoyu, Ran Linzan*
The Role of the Individual in Innovation

The Product Is Me: Hyperpersonalized Consumer Goods as Unconventional Luxury
  Mark S. Rosenbaum, Germán Contreras Ramírez, Jeffrey Campbell, Philipp Klaus

The Effect of Attribute Originality on Consumers’ Adoption of Customization: The Role of Construal Level
  Bo Chen

Human-Focused Innovation: A New Approach to Creative Invention
  Cheryl Nakata
The Use of Machine-Generated Creativity in Marketing

Christine Marie Auer, LMU Munich, Institute for Marketing
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Keywords: artificial intelligence, (computational) creativity, marketing, CMOs, technology adaptation and integration

Description: By applying literature research and qualitative interviews, this study identifies how computational creativity (CC) can be useful for marketing.

EXTENDED ABSTRACT

Research Question
How can machine-generated creativity be useful for marketing?

Method and Data used
Interdisciplinary literature review with conceptualization of forms of creativity and intelligence from different perspectives. Qualitative interviews with experts (marketing, media, software development and law) and consumers.

Summary of Findings
Definitions for artificial intelligence varied widely across our participating experts with our technical experts exhibiting greater interest in processes and marketers being more concerned with outcomes. Our marketing experts have substantial knowledge about possible applications and they have looked into the matter. Pain points revolved around matters of measurability and justifications for subjective choices. Possible areas of application for artificial intelligence were mostly connected to automation and quantification. Although creative AI applications are still costly, a rethinking of the strict association of AI with mechanical tasks may be required in the future.

Key Contributions
Our paper is the first to address the potential of AI for content creation and creative problem-solving for marketing practitioners. Our paper reflects the Marketing Science Institute’s research priorities of 2018–2020 in which the question, “How can one employ artificial intelligence (AI) for better advertising (and customer) engagement?” is brought forward (MSI, 2018, p. 7). We contribute to current research by examining possible application areas of computational creativity, conceptualize the potential of computational creativity and uncover practitioners’ willingness and acceptance of adopting such new technologies as well as the challenges they are facing.

References are available on request.

For further information contact: Christine Marie Auer, postdoctoral researcher, LMU Munich, Institute for Marketing (c.auer@lmu.de).
The Effects of Artificial Agents (AA) on Consumer Attitudes: Resisting AA Recommendation in Symbolic Consumption

Yaeri Kim, Seoul National University

Keywords: artificial intelligence, recommendation system, human uniqueness, distinctive human capacity, human mind

EXTENDED ABSTRACT

Research Question
Is AI (artificial intelligence) a threat to humans or a cooperative partner? Although recently AI had a lot of spotlight from diverse research field, only little effort has been observed in the marketing field. However, this does not mean that AI is less important issue in marketing. AI is applied in marketing a lot more than you can imagine. Even now, while you are searching for your cellphone, AI constantly recommends products or services you may like. Thus, in this research, we are cautiously applying AI, especially AI recommendation system, to the marketing strategy by highlighting brand management. We started our research based on the simple and strait forward questions as follows. Does AI recommendation system always work successfully? When people adopt or reject the recommendation from AI? And finally, what makes people to do so?

Method and Data
A national sample of 139 undergraduates were randomly assigned to one of four conditions in a 2 (brand image: Symbolic vs. Functional) × 2 (recommendation type: AI vs. Human) between-subjects design. Participants were assigned to one of two brand biography conditions where a hypothetical automobile “brand A” was given either a functional brand satisfying practical needs such as economic efficiency or primarily expressing self-image or social status (Bhat and Reddy 1998). Next, all the respondents were presented with one of two scenarios describing different types of recommendation system based on an artificial intelligence or human. After reading all the scenarios, manipulation checks for the recommendation types were followed; “The scenario is related to AI recommendation system,” “The scenario is related to human recommendation system.” Both questions were asked on a 1-7 scale anchored at 1 = not at all and 7 = very much. Then, the participants responded to a series of three 7-point attitude scales (adapted from Folkes and Kamins 1999; Batra and Ahtola 1991): “Please evaluate your attitude toward the company A” (1 = very negative, 7 = very positive; 1 = very bad, 7 = very good; 1 = unfavorable, 7 = favorable). Additionally, expected mediator as uncanny were asked on a 1–7 scale anchored at 1 = not at all and 7 = very much. Uncanny feeling was measured with one item (Gray and Wegner 2012) as “I feel uncanny when AI (vs. human) recommends the car model.” Finally manipulation checks for the brand image were followed; “I read the scenario based on the following attributes; brand image, social class of the brand, symbolic meaning of the brand (1 = not at all important, 7 = very much important).

Results
A 2 (brand image: Symbolic vs. Functional) × 2 (recommendation type: AI vs. Human) ANOVA on the manipulation check for brand image showed that participants who read symbolic scenario marked higher score on symbolic brand attributes and participants who were assigned to functional scenario marked lower score on the same symbolic brand attributes (Msymbolic = 5.53 vs. Mfunctional = 4.69; F(1, 135) = 16.907, p < .001). A parallel ANOVA also confirmed the scenario of recommendation type. For AI recommendation scenario, they perceived it as AI based recommendation system (MAI = 5.87 vs. Mhuman = 2.41; F(1, 135) = 182.09, p < .001) and for human recommenda-
tion scenario, they perceived it as human based recommendation system \((M_{human} = 5.78 \text{ vs. } M_{AI} = 2.57; F(1, 135) = 159.01, p < .001)\). Thus, all the scenarios were successfully manipulated.

A 2 × 2 ANOVA on brand attitude \((\alpha = .90)\) indicated that the two-way interaction was significant \((F(1, 135) = 8.36, P < .01)\). According to Planned contrasts, participants showed higher attitude toward human recommendation system when the brand image is symbolic \((M_{AI} = 4.73 \text{ vs. } M_{human} = 5.42; t(1, 135) = 2.50, p < .05)\). For the human recommendation system, the symbolic brand image has higher attitude compared to the functional brand image \((M_{symbolic} = 5.42 \text{ vs. } M_{functional} = 4.73; t(1, 135) = 2.50, p < .05)\). On the other hand for the AI recommendation system, the functional brand image has higher attitude compared to the symbolic brand image \((M_{functional} = 5.20 \text{ vs. } M_{symbolic} = 5.42; t(1, 135) = 1.67, p < .1)\).

To explain the process of the observed result, we propose uncanny feeling as a mediator. Mediated moderation tests using bootstrapping PROCESS macro model 15 with 5,000 resamples (Hayes 2011) confirmed that the effects of the brand image and recommendation system on brand attitude were mediated by uncanny feeling (type of recommendation system as independent variable: 1 = AI, 0 = human; brand image as the moderator :1 = symbolic, 0 = functional). The overall mediation effect of uncanny feeling was found to be significant (95% CI [-.88, -.05]). Moreover, conditional indirect effect of recommendation type on brand attitude was only significant for the symbolic brand image (95% CI [-.91, -.20]).

**Key Contributions**

This research is meaningful in that this is the first attempt to apply the artificial intelligence recommendation concept to the marketing strategy by incorporating the concept of brand image. We predicted and found AI based recommendation system is preferred for functional brand and reluctantly to be accepted for symbolic brand. Furthermore, we discovered the underlying process for this phenomenon as uncanny feeling. The reason why people barely adopt the recommendation from AI when the brand image is related to sense and feel considered as nature of human uniqueness.

**Summary of Findings**

As we predicted, we found that participants showed higher attitude toward human recommendation system when the brand image was symbolic. We also confirmed that depending on the type of the recommendation system, the preferred brand was different. When a product is recommended by human, the participants showed higher attitude toward symbolic brand (vs. functional). On the other hand, when a product was recommended by AI, the participants showed higher attitude toward functional brand (vs. symbolic). Notably, we confirmed that the brand image and recommendation type on brand attitude were mediated by uncanny feeling.

From this research we investigated when and why AI recommendation is rejected from the consumers. We found that consumers were less likely to adopt AI recommendation in the field of Human essence. Asking AI a recommendation in the human uniqueness filed make people feel uncomfortable which further to be considered as a threat to human.

*References are available on request.*
Research Question
Increasing customer need diversity, or the extent to which customer needs for a product differ from each other (Cui and Wu 2016), is an inevitable trend that makes development of radical innovations challenging. In order to effectively innovate, diverse needs often necessitate collection of more detailed and comprehensive information about customers (Cui and Wu 2016). However, while today’s technologies facilitate collection of vast customer data, firms are often uncertain about how big data can help them improve innovation outcomes. The goal of this research is therefore to examine how firms can use the 3Vs of big data (volume, variety, and velocity) to improve radical innovation performance for increasingly diverse customer markets.

Building on the knowledge-based view (KBV) and dynamic capabilities, the authors propose a set of competing hypotheses and theorize that customer need diversity will influence radical innovation performance via two routes. Directly, in line with KBV, and via strategic flexibility, a key dynamic capability that allows firms to reconfigure organizational resources, processes and strategies to respond to environmental changes (Sanchez 1995). The authors also propose that big data will moderate both paths, but that its effects will differ depending on the path it moderates.

Method and Data
An online survey was implemented for hypothesis testing, with strategic business unit as a unit of analysis. A leading U.S. research firm’s panel was adopted as the sampling frame and the respondents were asked to report on their division’s innovation activities. In total, 369 responses were obtained, generating a response rate of 14.34%.

All scale items were adopted or adjusted from prior studies, and the psychometric properties of the constructs were assessed based on a confirmatory factor analysis. The fit indices indicate satisfactory model fit, all standardized factor loadings are greater than 0.6, average variance extracted greater than 0.5, and composite reliability greater than 0.7. Discriminant validity was also confirmed. The tests for common method bias revealed that it is not a concern in the study.

The authors tested mediation effects using PROCESS analysis (Hayes 2013). The moderation effects were tested using ordinary least square analysis, where all variables involved in the interaction terms were mean-centered.

Summary of Findings
The results show that customer need diversity positively and significantly impacts radical innovation performance through two routes: directly and via strategic flexibility. This lends support to both theoretical lenses, KBV and dynamic capabilities, and allows us to better understand the complex relationship between customer need diversity and radical innovation performance.

The moderation effects of data volume, variety, and velocity on the relationship between customer need diversity and (a) radical innovation performance and (b) strategic flexibility,
revealed interesting results. While data volume was found to positively moderate the impact of customer need diversity on radical innovation performance, its impact on the relationship between customer need diversity and strategic flexibility was negative. We observed the exact opposite effects for data velocity that negatively moderated the customer need diversity-radical innovation performance link but positively moderated the customer need diversity-strategic flexibility relationship. Data variety was found to be nonsignificant in moderating the impact on radical innovation performance, but had a positive moderating effect on strategic flexibility.

**Key Contributions**

This research makes several key contributions. First, the authors integrate KBV and dynamic capability literatures to demonstrate how firms can leverage customer need diversity to improve radical innovation performance. The authors find that while there are direct benefits of operating in markets with diverse needs, to fully capture these benefits in innovation, it is critical that firms develop strategic flexibility.

Second, the authors demonstrate that the use of big data may not always be beneficial. Such finding is critical since big data has received much attention in the business press touting its importance in innovation, yet majority of big data initiatives fail to meet expectations (Baldwin 2015). Our findings support this sentiment. For instance, large data volume can be a double-edged sword. On one hand, volume allow firms to capture heterogeneous customer information and directly apply it in development of radical innovations. On the other hand, large data volume is impractical in terms of strategic decision-making and deployment of resources, as it hinders strategic flexibility. Interestingly, the opposite can be said of data velocity. Variety has a more positive impact on innovation, but only via strategic flexibility. Together, these results provide an explanation as to why firms may struggle with using big data to improve innovation outcomes.

*References are available on request.*
Divesting Development? The Impact of Share Repurchases on Corporate Innovativeness

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Keywords: share repurchases, innovation policy, innovation ecosystems, open innovation

Description: Share repurchases obstruct corporate innovativeness by reducing both internal and external innovation activity and quality.

EXTENDED ABSTRACT

Research Question
Firms intending to reap the benefits of innovation to enhance their value proposition (Hurley and Hult 1998) need to install suitable governance structures, including managerial incentives (Zona 2016) and effective resource allocation mechanisms (Cardinal 2001; Hoskisson and Hitt 1988). As innovation usually involves long-term projects with uncertain outcomes, projects compete for resources with more predictable, short-term investment opportunities. A corporate policy that can be detrimental to innovativeness is the repurchase of own shares outstanding. Such buybacks are credited as an instrument for signaling healthy financial prospects and managing investor relationships (Brav et al. 2005; Dittmar and Field 2015). However, they were also shown to induce reductions in crucial resources such as R&D investment (Fos, Almeida, and Kronlund 2016). Repurchases may lack alignment with the operating business when they are driven by individual motives such as maximizing manager compensation (Kahle 2002; Kim and Ng 2018) and shareholder return (Huang and Thakor 2013). As researchers already found negative associations with long-term product quality (Bendig et al. 2018), this study argues that share repurchases will likewise hurt corporate innovativeness. We formulate the following research questions:

1. Do share repurchases reduce internal and external innovation activity?
2. Do share repurchases likewise affect innovation quality?

Method and Data
We derive the following hypotheses:

1. Hypothesis 1a and 1b: Share repurchases are negatively associated with internal innovation activity and quality
2. Hypothesis 2: Share repurchases are negatively associated with external innovation activity

Our panel consists of 258 companies constantly listed in the S&P 500 between 2006 and 2016. Internal innovation activity is measured as annual patent count and innovation quality as citations per patent (Hagedoorn and Cloodt 2003). We draw patent data from Questel Orbit Intelligence and assign citations using Google Patents. External innovation activity is measured as the annual count of corporate venturing deals (Titus, House, and Covin 2017), as identified in PR newswire press announcements. Information on the annual volume of share repurchases is gathered from firms’ 10-K reports to the SEC (Banyi, Dyl, and Kahle 2008). We add financial data from Compustat and scale repurchases by total assets.

We control for several potential drivers of innovativeness such as firm size, financial slack, leverage, technological dynamism, and growth opportunities. We test our hypotheses for lags of one to three periods using a generalized estimating equations (GEE) model, specified by a negative binomial distribution for patent and venture count, respectively a gaussian distribution for citations per patent.

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Summary of Findings
Regression results support our hypotheses, demonstrating that share repurchases negatively affect innovativeness by consuming essential firm resources.

Hypothesis 1a: We find a significantly negative coefficient for share repurchases in \( t + 3 \) (\( \beta = -0.02, p < 0.05 \)). This association indicates that by reducing investment resources, repurchases lead to fewer innovation projects being completed and thus fewer patents being generated.

Hypothesis 1b: We observe a significantly negative association between share repurchases and average citation count in \( t + 2 \) (\( \beta = -0.01, p < 0.05 \)). This may indicate that, in the face of a resource constraint, firms select less ‘radical’ projects and thereby reduce the average quality of innovations generated.

Hypothesis 2: Our model shows a significantly negative relationship between share repurchases and venturing in \( t + 2 \) (\( \beta = -0.03, p < 0.05 \)) and \( t + 3 \) (\( \beta = -0.04, p < 0.01 \)). Repurchases thus not only reduce internal innovation activity but also negatively affect investment in joint ventures, alliances, and equity shares.

As we controlled for growth opportunities, the observed developments may be explained by an interaction of risk-aversion and insufficient resources. Share repurchases represent a reliable opportunity for managers to maximize own compensation and ensure shareholder support. Innovation projects, meanwhile, are considered as risky and long-term and thus prone to suffer from resource constraints induced by repurchases.

Key Contributions
This article extends knowledge on resource allocation conflicts between innovation and financial policies in three ways.

First, we demonstrate share repurchases as a risk factor for corporate innovation. This study provides a holistic framework for analysis of organizational antecedents to innovation. We incorporate effects on external corporate venturing and thus reflect that policies reducing investment funds can have multiplier effects on innovativeness through different channels. To explain why innovation opportunities may not receive sufficient management support, we leverage the concept of real options which emphasizes the role of uncertainty (Bowman and Hurry 1993; Huchzermeier and Loch 2001).

Second, we help to resolve the debate around “eventual outcomes of repurchases” (Sanders and Carpenter 2003, p. 31). Share repurchases can significantly impair corporate innovativeness in the long term, creating a trade-off between short-term returns and long-term value generation (Fos, Almeida, and Kronlund 2016). As repurchases leave the decision to reinvest funds to shareholders, synergy potentials and eventually valuable innovations may be forfeited.

Lastly, we explain why repurchases occur despite remaining growth opportunities by highlighting investor activism and managerial compensation incentives (Sanders and Carpenter 2003). Our results mandate further research on trade-offs between shareholder payoff and corporate development and eventual economic implications.

References are available on request.
How New Product Preannouncements Affect Stock-Listed Innovators: The Case of Book Adaptations

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Keywords: innovation, new product preannouncement, movies, brand extensions

EXTENDED ABSTRACT

Research Question
Stock-listed movie studios rely heavily on innovation and face millions in production costs for a new movie (Joshi and Hanssens, 2009). As these high production costs coincide with a high uncertainty, whether the movie will be profitable due to its uniqueness, each innovation represents a profitability risk. Book adaptations (movies based on books) are a frequently used strategy to reduce these risks, as studios try to increase movie success by leveraging the book’s equity (e.g., fans of the book are also likely to watch the adaptation in the cinema: Knapp, Hennig-Thurau, and Mathys 2014). A long time before the release of the adaptation, movie studios use New Product Preannouncements (NPPs) to influence shareholders positively, i.e., by signaling high innovativeness and high success potential of the upcoming movies (Einav und Ravid 2009). However, many unprofitable book adaptations indicate that predicting their success is still a problem for shareholders and practitioners alike.

This article examines whether the predictability of book adaptation success can be improved by considering the ex-ante investor’s perspective, i.e., the studio stock price reaction to NPPs before movie release. Firstly, the research aims at analyzing which NPP types movie studios use and whether these NPP-types significantly influence studio stock prices as shareholders incorporate them. Knowing the different types and the average reaction of the stock price to these types helps practitioners to improve their communication with their shareholders. Secondly, this research sheds light on the question whether stock price reactions to NPPs (and other adaptation characteristics) are predictive of box office success for a sample of released book adaptations. Understanding the nature and the strength of this relationship helps studio managers to develop better strategies to interpret market reactions to NPPs and predict success for their book adaptations.

Method and Data
This article first conducts an event study and uses NPPs for book adaptations of seven major stock-listed American media conglomerates. The sample for the event study consists of 364 NPPs for 159 book adaptations which were released or in production between 2011 and 2016. The NPPs stem from The-Hollywoodreporter.com, Variety.com and Deadline.com, which have a monthly traffic of 36.5, 37.2 and 19.9 million users respectively (Similarweb, 2017). NPPs posted on these sites are thus likely to be influential as they reach a large readership containing shareholders. In order to identify and understand different types of book adaptation NPPs, the author and another rater analyzed the NPPs and found six distinct types. Event studies are useful to analyze the impact of NPPs on stock prices (Mishra and Bhabra, 2001) and this method is used here to test whether the six types lead to abnormal returns for stockholders. Abnormal returns measure the deviation of the returns after the event from the expected returns without the event. Confounds with event dates (i.e., events, when studios announced other price-influencing information like annual reports) are eliminated from the sample. Abnormal returns are calculated, summed up and averaged to obtain the Cumulative Average Abnormal Return (CAAR). Significant CAARs then imply that the event indeed has an influence on the stock price (Sorescu, Warren, and Ertekin, 2017). As the abnormal returns at hand violate the assumptions of the standard t-test (nonnormality and cross-correlation) the Patell Standardized Residual...
t-Test (Patell, 1976) is used as it addresses the problems (Sorescu et al., 2017).

Secondly, a regression analysis is conducted using a subsample of 44 released book adaptations to analyze whether stock market reactions to NPPs (i.e., CAARs) can help to explain box office. Adaptation box office (in million USD) is used as the dependent variable. As one independent variable, the sum of all CAARs per movie (CAARSUMi) is used to test, whether higher CAARs correlate with higher box office, which would imply that the ex-ante stock market reaction is predictive of adaptation success. As CAAR represents the reactions to the specific NPPs, CAARSUMi reflects the cumulative evaluation of the preannounced adaptation features (e.g., book quality, cast, etc.) Additional controls like the perceived quality of the finished adaptation is included by using the audience score of the movie on rotten tomatoes.com. This measure should be less prone to endogeneity than other studio-controlled factors (e.g., as movies with a high success expectation receive higher advertising) because it is dependent on the audience and not the studio. It still incorporates most important aspects of a movie release (e.g., the score is indirectly influenced by advertising and production budget). Additionally, book-related characteristics are used as independent variables. The number of people rating the underlying book on goodreads.com serves as a proxy for the number of readers and the book genres are included as dummy variables.

Key Contributions
This article makes important contributions to literature and practice. First, it contributes to the new product development literature by analyzing the six most frequent types of book adaptation NPPs. Besides the importance of these findings for the movie industry, it is reasonable to assume that core characteristics of these NPP types can be transferred to other products or services in other industries (e.g., First NPPs are also common for other products). The presented findings regarding the NPP types can give an insight into the mechanisms behind the influence of NPPs on stock prices. This helps practitioners to understand how shareholders react to different NPP types.

Second, this article helps to increase the predictability of book adaptation success by linking prerelease stock price reactions to box office revenues using regression analysis. As these stock price reactions significantly explain box office, studios should analyze stock prices after NPPs and alter specific movie features accordingly to increase future movie success.

Summary of Findings
This article finds that studios preannounce regularly, (1) that a book adaptation will be produced (first NPP), in addition (2) who will direct the movie (director NPP), (3) who will join the cast (cast NPP), (4) who will write the screenplay (screenwriter NPP), (5) when the movie will be released (release NPP) or (6) use a mixture of these five NPP types (multiple NPP). The results of the event study show that all but one NPP type (screenwriter NPP) significantly change stock prices and that the effects of the different types vary in strength and direction. First NPPs have the largest effect on stock prices as they carry the highest amount of new information.

The regression analysis results show that the sum of prerelease stock price reactions to NPPs for one adaptation (CAARSUMi) significantly influences its box office. This implies that stock market reactions to NPPs are indeed predictive for movie success and that studios should hence pay attention to these reactions. Also, studios should avoid communicating negatively evaluated content (i.e., release NPPs in the sample at hand).

References are available on request.
Global Product Launches and Firm Value

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EXTENDED ABSTRACT

Research Questions
1. How do product launches in foreign markets affect firm value?
2. How do foreign country characteristics moderate this relationship?
3. How does innovativeness moderate this relationship?

Method and Data
Secondary data from various sources analyzed using hierarchical linear modeling

Key Contributions
We aim to contribute to the existing literature related to global product launches and their impact on cumulative abnormal returns to shareholder value by employing an event study analysis. We consider the launches of 409 products from 27 product categories in 38 markets by 61 different brands over two years. In order to understand the phenomenon more fully, we also address key boundary conditions that are inherently relevant for discerning the role of key characteristics of product and brand launch across countries. Studying the differences in returns of product innovativeness allows discernment of the relative impact of different types of product launches. Further, we consider whether there is any variance in financial valuation contingent on the market type as determined by socioeconomic status. The findings of this study shed important light into cross-disciplinary implications of the financial value of new product launches at a global scale, which is important for both international marketing scholars and practitioners alike.

Summary of Findings
We found that both the innovativeness of a launched product into a global market and the socio-economic development of the host country had a positive impact on stock market returns. Further, product innovativeness and socio-economic development had a positive interaction effect. Perhaps not surprisingly, firm size had a positive impact on cumulative abnormal returns. Further, we found that very innovative products launched into countries with high socio-economic development had more of an impact on positive abnormal returns. While there is growing emphasis on emerging markets (Cui and Liu, 2001; Kravets and Sandikci, 2014), it appears that developed countries may still offer more potential for highly innovative products.

References are available on request.
Fast, Innovative, but Not Radical: How Customer Knowledge Boosts New Product Development

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Keywords: customer involvement, new product performance, speed-to-market, innovation, organizational learning

Description: This study unravels the mechanisms by which different forms of customer involvement boost new product performance and investigates the value of customer knowledge in radical innovation.

EXTENDED ABSTRACT

Research Question
This study unravels the mechanisms by which different forms of customer involvement boost new product performance and investigates the value of customer knowledge in radical innovation. It strives to answer the following two research questions:

1. By which mechanisms do different forms of customer involvement influence new product market performance?
2. Is customer knowledge valuable in the development and commercialization of radical innovations?

Method and Data
We collect multi-industry survey data from 207 new product development managers, using Germany’s largest professional network as the sampling frame and acquiring study participants via phone. The study uses new product development managers as key informants and chooses the new product development project as the unit of analysis. Allaying concerns related to our study design, we test for key informant, nonresponse and common method bias, yielding no significant results. We run a structural equation model with three operational performance outcomes (new product speed-to-market, micro- and macro-level innovativeness) mediating the effect of two forms of customer involvement (customer-involvement-as-an-information-source, customer-involvement-as-codevelopers) on new product market performance. Following Preacher and Hayes (2008), we test our mediation hypotheses by bootstrapping the indirect effect of customer involvement. Mediation effects are established based on bias-corrected bootstrapped 95%-confidence intervals and classified according to Zhao, Lynch, and Chen (2010).

Summary of Findings
This study replicates the positive effect of different forms of customer involvement on new product performance and establishes three competing operational product outcomes, speed-to-market, micro- and macro-level innovativeness, as mediators of this relationship. We show the different forms of involvement to leverage different performance mechanisms. Whereas the traditional form of involvement boosts new product market performance via both new product speed-to-market and micro-level innovativeness, the more collaborative involvement approach has a positive effect via micro-level innovativeness and a detrimental effect via speed-to-market. Furthermore, we find all forms of customer involvement to benefit the generation of radical product ideas. Yet, such radical product ideas do not translate into commercial market success for any of the forms of involvement.

Key Contributions
Our study contributes to the research at the interface of marketing and innovation in three ways. First, we validate the recently developed customer involvement framework by Cui and Wu (2016, 2017) in a multi-industry setting. By integrating knowledge management and organizational
learning research, we embed customer involvement in established theory (Cui and Wu 2016; Gemser and Perks 2015) and identify a promising theoretical lens for its future investigation. Second, we unravel the mechanisms by which different forms of customer involvement boost new product market performance, addressing calls to investigate how customer knowledge translates into new product market performance (Carbonell, Rodríguez-Escudero, and Pujari 2009; Cui and Wu 2017, 2018). Third, we investigate the interplay of customer involvement and different types of innovation (Bogers, Afuah, and Bastian 2010; Chang and Taylor 2016), showing that customer knowledge indeed is of value in radical innovation. However, capturing its inherent value may not always be commercially attractive.

Further, we reassure NPD managers in involving customers into the development process and provide guidelines for the selection of the appropriate involvement approach. Whereas traditional forms of involvement are preferable for firms pursuing a time-based strategy, more collaborative approaches best suit firms operating in industries undergoing significant change.

References are available on request.
The Impact of Different Types of Market Orientation on New Product Development Performance: Considering the Effect of Knowledge Base

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Keywords: market orientation, knowledge base, market fluctuation, new product development

Description: The article investigates how the enterprise knowledge infrastructure engaging in affecting the relationship between proactive market orientation, responsive market orientation and new product development performance.

EXTENDED ABSTRACT

Research Question
Firstly, what is the intermediary mechanism between the proactive market orientation, the responsive market orientation and the performance of new product development? Secondly, the different dimensions of enterprise knowledge base reflect the different structure and content of enterprise knowledge base, so will they play different roles in new product development? Finally, whether the external contingency factors affect the relationship between knowledge base dimension and new product development performance?

Method and Data
The method of data collection in this paper is to conduct a questionnaire survey among senior executives. In order to avoid the common method bias, we provide two questionnaires for two executive members of a company, allowing them to fill out separately.

Questionnaires were distributed and reclaimed from May 2016 to December 2016. In this survey, 440 questionnaires were collected (220 enterprises, two senior executives filled out two questionnaires), of which 340 (170 enterprises) were valid, and the effective rate was 77.27%. Sample enterprises cover a wide range of industries, enterprise scale, firm assets and firm age.

Summary of Findings
The active market orientation has a significant positive effect on the performance of new product development (β = 0.489, p < 0.001), thus supporting H1; Simultaneously, the responsive market orientation also has a significant positive effect on the performance of new product development (β = 0.139, p < 0.1), which means that H2 is supported.

Firm size has a significant effect on knowledge breadth, while firm assets, firm age, and industry type have no significant influence on knowledge breadth. And the proactive market orientation has a significant positive impact on knowledge breadth (β = 0.590, p < 0.001), so H3 is supported. Responsive market orientation has no significant impact on knowledge breadth (β = 0.059, p > 0.1), which means that H5 has not been supported. Firm assets and firm age have a significant impact on knowledge depth, while firm size and industry type have no significant impact on knowledge depth. The proactive market orientation has a significant positive effect on knowledge depth (β = 0.351, p < 0.001), so H4 is supported. Responsive
market orientation has a significant positive effect on knowledge depth ($\beta = 0.234$, $p < 0.05$), and H6 is supported.

Knowledge breadth has a significant positive effect on the performance of new product development ($\beta = 0.393$, $p < 0.001$), so H7 gets positive support. And also, H8 gets positive support ($\beta = 0.226$, $p < 0.05$). Market fluctuation plays a positive role in the relationship between knowledge breadth and new product development performance ($\beta = 0.305$, $p < 0.05$), so H9a is supported. Simultaneously, H9b is also supported ($\beta = -0.237$, $p < 0.1$).

**Key Contributions**

Theoretical Contributions: Firstly, there are few studies on the mechanism between the market orientation and new product development performance. This study can provide a new way of thinking for the interaction mechanism between market orientation and new product development performance. Secondly, our study can provide a certain way of thinking for the knowledge base structure of enterprises. Finally, this paper discusses the moderating effect of market fluctuation, an important external contingency factor, on the relationship between knowledge base and new product development performance.

Managerial Implications: Firstly, we should attach importance to the construction of market-oriented culture and give priority to the proactive market orientation. And enterprises should give priority to proactive market orientation, explore the potential needs of customers and shape customer behavior in advance, so as to create unique competitive advantages in the development of new products and better dominate the market. Secondly, enterprises need not only to share and integrate knowledge within the enterprise, but also to acquire and absorb the necessary knowledge from the outside, to increase the cultivation of knowledge breadth and depth of knowledge. Finally, in a highly volatile market environment, priority should be given to cultivating breadth of knowledge, while in a less volatile market environment, nurturing knowledge depth should take precedence.

*References are available on request.*
CEO Testosterone and New Product Introduction

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ABSTRACT
This study explores the impact of a CEO’s steroid hormone, testosterone, on new product introduction (NPI), using the facial height-to-width ratio as a measure of hormone levels. The study is conducted in the Indian context, and findings reveal that a CEO’s testosterone level, which affects a CEO’s aggressive behavior, results in a higher rate of NPI. This relationship is moderated by the business group affiliation of a firm.

Keywords: testosterone, facial height-to-width ratio, CEO, business group, new products

Introduction
The launch of new products and services is a critical determinant of organizational performance and survival. In view of the importance of new product introduction (NPI), extant literature in the field of marketing has examined the determinants and outcomes of such introductions (Cao and Sorescu, 2013; Olsen, Slotegraaf, and Chandukala, 2014). We extend this literature by investigating the impact of CEO testosterone on NPI under the boundary condition of business group affiliation of a firm, in the context of emerging markets.

Emerging market firms (EMFs) are currently launching more new products than ever, which has presented them with a platform in international markets (Gaur, Kumar, and Singh, 2014; Sun and Lee, 2013). For several years, emerging markets, such as India, have been operating in a closed and risk-conservative economy. However, after national economies have opened, firms from these countries have become increasingly competitive through new product launches. It thus becomes vital to explore drivers of new product launch rates by EMFs. In this context, we explore the role of a CEO’s testosterone on NPI.

Our study also explores a broader recent question in the marketing literature of how biochemical, neural, and genetic factors influence economic decisions made by CEOs. A stream of research (for example, Morin, 2011) has leveraged neuroscience to explain consumer behavior; however, some vital organizational outcomes that satisfy consumer needs, such as innovation or NPI, depend on CEO traits. In this regard, a CEO’s testosterone deserves special attention, as it influences the CEO’s behavioral traits, such as risk-aggressiveness, egocentrism, risk-seeking, or a desire to maintain social status; these are vital influencers of economic business outcomes, especially of innovation.

A potential barrier in investigating the influence of CEO testosterone on firms’ strategic outcomes was that such data was not readily available. Recent developments in neuroendocrinology have solved this problem, to an extent. As adolescent testosterone induces bone growth, including craniofacial growth, the growth is reflected in an individual’s facial height-to-width ratio (FHWR) (Møller and Thornhill, 1997; Thornhill and Gangestad, 1999).

Marketing scholars have highlighted the role of “human personality factors,” such as narcissism, in risky company decisions; some individuals may have more of a propensity for taking risks than others by virtue of their personality traits (Kashmiri, Nicol, and Arora, 2017). However, CEO behavior is also influenced by biological and genetic factors, which thus influence their strategic behavior. We shine light on this aspect of CEOs’ behavior.

Theory and Hypothesis

CEO Testosterone and NPI
NPI involves two tasks: detection and development (Van de Ven, 1986; Yadav, Prabhu, and Chandy, 2007). Detection
IIB-18

refers to identifying a new technology and an opportunity for its application, whereas development refers to the process of transforming the newly detected product technology to a final product that can be commercialized and launched in the market (Li, Maggitti, Smith, Tesluk, and Katila, 2013; Yadav et al., 2007). Although several employees and departments are involved in the detection and development of NPI, CEOs are likely to play a central role in accomplishing these tasks (Mezias and Glynn, 1993; Van de Ven, 1986). First, CEOs play a critical role in bringing new ideas, needs, and opportunities to the attention of departmental heads and the rest of the organization (Van de Ven, 1986). As CEOs are also chief cognizers and have strong networks in the industry, they are capable of detecting technological, competitive, and market trends that may affect latent consumers’ needs and demands for products.

Furthermore, development of new product ideas or technology so invented requires “pushing and riding ideas into good currency” (Van de Ven, 1986, p. 591). A CEO’s vision, philosophy, and behavior trickle down to the rest of the organization and play a critical role in promoting commitment for new product development by coordinating and allocating the resources required to transmute new product ideas into products that can be launched in markets (Augier and Teece, 2009; Van de Ven, 1986).

Overall, CEOs have a significant role in NPI in the market, and personal traits of CEOs can further influence how much they invest in innovation. In this regard, CEOs’ biological traits, such as testosterone levels, can influence their decisions. Testosterone is a steroid hormone and has received ample attention from researchers exploring CEOs’ financial decision-making and economic behaviors (Jia, Lent, and Zeng, 2014). The neuroendocrinological literature suggests that testosterone is associated with a set of behaviors that includes aggression, egocentrism, risk-seeking, and a desire to maintain social status (Wright et al., 2012).

As individuals with high levels of testosterone are more likely to demonstrate aggressive behavior, they have a propensity to launch new products at a fast rate to signal their competitive aggressiveness. Thus, CEOs with higher testosterone can be expected to launch new products at a faster rate than competitors. Furthermore, testosterone has been insinuated in risk-seeking behaviors, including extreme unethical behaviors, such as financial misreporting (Jia et al., 2014). In corporate settings, CEOs with higher testosterone can be expected to make risky strategic decisions, such as the introduction of new products. NPI is associated with significant risks that can be attributed to several factors, such as uncertain consumer taste and preferences (Paladino, 2007) and possible imitation of a new product by competitors (Zhou, 2006). New product development also requires a bold commitment of resources from firms and takes time to deliver tangible outcomes (Rochford and Rudelius, 1997). In certain industries in India, such as fast-moving consumer goods, 99.9% of innovations fail (Irani and Balakrishnan, 2015), thus making new product launch even riskier. Although innovation is always risky, CEOs take calculated risks, as they are concerned about their careers. For instance, if a product launch fails, stakeholders may quickly infer that the CEO was incompetent and lacked an understanding of the market; in this case, the CEO could be fired. On the contrary, if a product launch is successful, CEOs may be rewarded. The risk associated with a new product launch has implications for CEO behavior. CEOs with a high FHWR (caused by high testosterone) are likely to underestimate the risks associated with innovation. CEOs’ positive attitudes, overconfidence, and sense of power related to high FHWR could make them feel that they have understood consumer needs or that they can generate demand for products; this may cause them to launch at a faster rate.

Economic theory also predicts that an individual’s risk preferences determine the way he or she responds to incentives (Garen, 1994; Indjejikian, 1999). Innovative companies have a higher market valuation, and CEOs receive accordingly higher compensation; this serves as a lucrative reward for CEOs with high FHWR (i.e., high testosterone) to innovate. The high testosterone of CEOs may promote risk-aggressive behaviors that could help firms push their boundaries and attain positive financial outcomes. This could raise the social status of CEOs (Eisenegger, Naef, Snozzi, Heinrichs, and Fehr, 2010). To maintain that status, a CEO may continue to push for innovation through NPI, even if resources do not support this decision. Hence, we hypothesize:

H1: CEO’s FHWR, indicative of testosterone level, positively influences NPI.

Role of Business Group-Affiliated Firms

Khanna and Rivkin (2001, pp. 47–48) define business groups as “a set of firms which, though legally independent, are bound together by a constellation of formal and informal ties and are accustomed to taking coordinated action.” As emerging markets suffer from institutional voids, business groups are prevalent in these markets (Khanna and Palepu, 2000). Affiliation to business groups provides several benefits to EMFs. As emerging economies lack the formal and informal institutions required for an efficient market-based exchange, business groups fill the institutional voids and help affiliated firms resolve the issues arising due to a

Uncertain economic and political systems and inadequate institutional support make emerging economies especially risky to operate in. Thus, mechanisms to cope with risks and benefit from such risks are vital determinants for the success of EMFs (Iankova and Katz, 2003). Firms that control the sources and supplies of products are in a better position to safeguard themselves against these risks.

CEOs who work for group-affiliated firms have group-wide resources and reputations to leverage in pursuing strategies they prefer. Group-affiliated firms also have more comprehensive and relatively easier access to capital, both internal and external funds, which is required for NPI. They are also able to access labor and product markets more easily than firms that are not part of any business group (Khanna and Rivkin, 2001).

Overall, CEOs in business group-affiliated firms are in a better position than nonaffiliated peers to implement risk-aggressive strategies and hence develop new products at a faster rate. Thus, business group affiliation moderates the relationship between CEO testosterone and NPI. Hence, we hypothesize:

**H2:** Business group affiliation moderates the impact of CEO testosterone on NPI.

**Methodology**

Our hypotheses were tested on a sample of consumer products from India. India is one of the fastest-growing emerging markets and is known for business groups. We specifically considered pharmaceuticals, consumer electronics, and fast-moving consumer goods firms that had male CEOs for the analysis. We further focused on large firms, who would likely receive media attention for new product announcements. Following Elango and Patnaik (2007), we restricted our sample size to those firms that exhibited average sales of at least $1,000,000 in the given period. Furthermore, we focused only on private sector firms and not state or central government organizations. We further filtered firms based on the availability of financial information. After these screening criteria, we were left with a sample of 218 firms. Data was collected for four years, from 2010 to 2014, resulting in a panel data set of 872 firm years. We used annual reports and press releases, newspaper articles, and business magazines for information on NPI. We used Prowess, a database from the Center for Monitoring Indian Economy (CMIE), to extract financial information about the firms.

**Measures**

**Dependent Variable**

NPI. Following the approach of Nadkarni and Chen (2014), NPI was measured as the number of announcements about new product launches made by focal firms in a given year. This measure has been used in extant studies and across various industries (Greve, 2003; Hitt, Hoskisson, Johnson, and Moesel, 1996; Smith, Collins, and Clark, 2005). To identify NPI, we used the archival database of the leading newspapers of India, such as The Economic Times, Times of India, Business Standard, Hindu Business Line, and business magazines, such as Business India or Business Today, and annual reports of firms. Two postgraduate coders independently checked the headlines of newspapers or business magazine articles and the content of annual reports to ensure that information was about NPI rather than any other firm-related information or intentions to launch a new product. Coders reached an agreement for over 93% of cases. Discrepancies were mutually resolved with the help of one of the authors. For NPI, three-year average data was used, consistent with product-market cycle research, which indicates that the idea-to-market cycle could span about three years (Griffin and Hauser, 1993).

**Independent Variable**

CEO FHWR. CEO testosterone exposure was measured as the distance between the left and right zygion (bizygomatic width), relative to the distance between the upper lip and the highest point of the eyelid (height of the upper face). These width and height measurements are referred to as FHWR. Prior studies have shown that FHWR is a valid cue to testosterone-related behaviors in males (Carré and McCormick, 2008; Short et al., 2012; Weston, Friday, and Lió, 2007; Wong, Ormiston, and Haselhuhn, 2011). Carré and McCormick (2008) found that FHWR can be measured from photographs as well, and that this ratio calculated from photographs can predict aggressive behavior inside and outside the laboratory.

We obtained the initial list of male CEOs from the website of companies. Next, we used each CEO’s family name along with the company’s name to search for the best available picture of the CEO’s face on Google Images. The best photograph was identified in terms of its resolution, whether the picture was facing forward, and whether the individual had a neutral expression. Following Carré, McCormick, and Mondloch (2009), each picture was converted into an 8-bit image with a standard height of 400 pixels. Two research assistants independently measured every picture using ImageJ software (Rasband, 2008). The average of the two measurements was taken as the value of FHWR.
As FHWR is a measure of pubertal testosterone exposure, an individual’s FHWR value is not expected to change after adolescence (Jia et al., 2014). Thus, for the purpose of our study, it did not matter if we used a recent or an older picture to obtain our data; as such, we focused on better-quality images. We verified this assumption with a sample in which two pictures for a given CEO were available, one at a younger age and another at an older age. No significant differences ($p = 0.85$) were observed in FHWR measurements between the two pictures of the same CEO.

**Business group affiliation.** We followed CMIE’s classifications of business group affiliation and considered only the Prowess category termed “large” business groups as group-affiliated firms. This is because only large business groups can provide resource advantages to affiliated firms (Khanna and Palepu, 2000; Kim, Kim, and Hoskisson, 2010). Thus, firms affiliated with these large business groups were dummy coded as 1; others were coded as 0.

**Control Variables**

We controlled for firm performance, firm size, firm age, and R&D intensity (Aghion, Bloom, Blundell, Griffith, and Howitt, 2005). Firm performance was measured as the return on assets (ROA) (Barker III and Mueller, 2002). Size was measured as the total number of employees in a firm (Chen and Hsu, 2009), while firm age was captured as years since establishment (Lee and O’Neill, 2003). Log transformations of firm age and size were applied, as they were skewed. R&D intensity was calculated as the ratio of a firm’s R&D expenditure to total sales.

**Model specification.** Since we had a time-invariant independent variable (FHWR), a fixed effect model would have biased the results. We conducted a random effect model with Poisson regression, as the dependent variable was a count variable.

**Results**

The correlation coefficient between the independent variable and control variables was significant, but values were not too high. For regression, in model 1, which had only control variables, we found an insignificant impact of firm size on NPI ($\beta = 0.03, p > .10$). Refer to Table 1 for details. Firms’ R&D intensity was found to have a significant influence on firm innovation ($\beta = 0.08, p < .01$). In model 2 of the Poisson regression, the independent effect of CEO FHWR was added, along with control and other independent variables. In model 3, the interaction effect of CEO FHWR and group affiliation was added. Since the beta coefficient of CEO FHWR in model 2 was positive ($\beta = 0.13, p < .01$), we received evidence in support of the first hypothesis. Thus, CEOs’ testosterone positively influenced NPI. Similarly, the beta coefficient of the interaction term in model 3 was positive and significant ($\beta = 0.16, p < 0.001$), so we received evidence in support of our second hypothesis as well. Thus, group affiliation enhanced the impact of CEOs’ testosterone level on NPI.

**Table 1. Result of Poisson Regression (D.V. NPI)**

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
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<td></td>
<td>(SE)</td>
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<td>(SE)</td>
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<tr>
<td>ROA</td>
<td>0.01</td>
<td>0.012</td>
<td>0.01</td>
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<tr>
<td>(0.02)</td>
<td>(0.04)</td>
<td>(0.05)</td>
<td></td>
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<tr>
<td>LnSize</td>
<td>0.03</td>
<td>0.035</td>
<td>0.032</td>
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<tr>
<td>(0.04)</td>
<td>(0.05)</td>
<td>(0.06)</td>
<td></td>
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<tr>
<td>Firm Age</td>
<td>0.02</td>
<td>0.018</td>
<td>0.017</td>
</tr>
<tr>
<td>(0.01)</td>
<td>(0.03)</td>
<td>(0.04)</td>
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<tr>
<td>R&amp;D Intensity</td>
<td>0.08***</td>
<td>0.09***</td>
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<tr>
<td>(0.002)</td>
<td>(0.003)</td>
<td>(0.003)</td>
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<tr>
<td>CEO FHWR</td>
<td></td>
<td>0.13***</td>
<td>0.14**</td>
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<tr>
<td>(0.04)</td>
<td>(0.05)</td>
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<tr>
<td>BG Affiliation</td>
<td>0.07*</td>
<td>0.08*</td>
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<tr>
<td>(0.03)</td>
<td>(0.03)</td>
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<tr>
<td>CEO FHWR*BG Affiliation</td>
<td></td>
<td>0.16**</td>
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<tr>
<td>(0.04)</td>
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<tr>
<td>Pseudo R-square</td>
<td>0.15</td>
<td>0.18</td>
<td>0.20</td>
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***$p < 0.001$, **$p < 0.01$, *$p < 0.05$
Discusion
This paper explores NPI, a vital aspect of emerging market business group firms, and how a CEO’s genetic trait (i.e., testosterone, as reflected by FHWR) impacts a firm’s NPI ability. Our study introduces a new opportunity for understanding the managerial-level factors that influence NPI by EMFs. This focus on CEO testosterone as a determinant of a firm’s innovation strategy is a promising avenue of research. EMFs often require high levels of risk-taking ability from their CEOs (Burgelman, 2002). Our findings indicate that CEOs with a high FHWR are able to overcome the inertia that prevails in risk-conservative EMFs (Hannan and Freeman, 1984; Miller and Friesen, 1980). Furthermore, business group affiliation provides an opportunity to CEOs to exercise their risk-taking tendencies.

References


Innovative Culture: Implications for Marketing Innovation and Brand Outcomes in Exporting Organizations

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Keywords: exporting, innovative culture, organizational agility, brand innovation, brand market performance

Description: The study examines the role of an innovative organizational culture in driving brand market performance in exporting firms.

EXTENDED ABSTRACT

Research Questions
Many firms attempt to capitalize on growth opportunities, diversify risks and expand resources through exporting. Previous studies, across various research domains such as branding, organizational performance, export performance, and marketing have emphasized the crucial role of innovation in developing a sustainable competitive advantage. However, in the export domain, the role of innovative culture, marketing innovation, and brand innovation remains largely unexplored. In particular, despite the expected positive consequences of brand innovation on brand performance within the context of B2B branding, there is still a shortage of systematic inquiry in the export branding domain, which has vastly obstructed our understanding of the relationship between brand innovation and brand market performance. Our research aims to contribute to the branding and export marketing literatures by investigating the influence of innovative culture on organizational agility, marketing innovation, and brand innovation, which ultimately contribute to enhanced brand market performance. We develop and empirically test eight research hypotheses as follows: we examine the impact of innovative culture on organizational market-capitalizing agility (H1), operational-adjustment agility (H2), and marketing innovation (H3). We further investigate the influence of market-capitalizing agility (H4) and operational-adjustment agility (H5) on marketing innovation. We then examine the extent to which innovative culture (H6) and marketing innovation (H7) affect brand innovation. Finally, we assess the impact of brand innovation and brand market performance (H8).

Method and Data
We collected data from German exporting firms by means of a survey research design. The key-informant in our study was the head of exporting operations, since managers occupying this position are knowledgeable about the phenomena under investigation. We gained access to the relevant sample through a commercial B2B online panel. An e-mail invitation, including the questionnaire was sent to the key informants in 2353 firms that were randomly selected. An initial screening indicated that only 986 met our eligibility criteria for participation in the study. We received 197 completed and usable questionnaires. Hence, the effective response rate was approximately 20%. We measured our constructs using existing well-validated scales in the pertinent literature. Measurement items were appropriately adapted (as necessary) to fit the specific research context at hand. We employed structural equation modeling procedures to analyze our data. Following relevant guidelines in the literature, we first evaluated the measurement model through confirmatory factor analysis (CFA) to assess the psychometric properties of the constructs, and then estimated the structural model to test the hypothesized relationships.

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Summary of Findings

Our study sheds new light on the role of innovative culture in generating brand innovation, and underlines the role of organizational agility as a driver of marketing innovation. More specifically, our results indicate that innovative culture contributes significantly towards increasing market-capitalizing agility and operational-adjustment agility. On the other hand, and contrary to expectations, our results indicate that innovative culture has no influence on marketing innovation. Our findings also reveal that innovative culture positively influences brand innovation. As expected, both forms of organizational agility, market-capitalizing agility and operational-adjustment agility exhibit a strong positive impact on marketing innovation. In turn, marketing innovation shows a positive impact on brand innovation. Lastly, brand innovation reveals a strong positive effect on brand market performance. Overall, our findings highlight the importance of innovation to brand and marketing managers attempting to generate positive brand outcomes from immensely expensive marketing programs intended to boost brand equity in export markets.

Key Contributions

This study contributes to the branding and export marketing literatures in three ways: First, we provide empirical evidence regarding the implications of innovative culture for organizational agility and brand outcomes in an export marketing context. Second, we present an integrated model that captures structural relationships that link organizational capabilities to brand market performance. Third, our research contributes to our knowledge of the RBV and organizational capabilities theory through investigating how organizational resources and capabilities enhance positive marketing and brand outcomes in export markets.

References are available on request.
Entrepreneurial and Alliance Orientation Alignment: Implications for New Product Development Process, Program, and Performance

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Keywords: entrepreneurial orientation, alliance orientation, entrepreneurial and alliance orientation alignment, new product development performance

Description: This paper develops an integrative model of an alignment between entrepreneurial orientation (EO) and alliance orientation (AO) in the context of new product development (NPD).

EXTENDED ABSTRACT

Research Questions
While the literature highlights the importance of entrepreneurship and strategic alliance in NPD, this research attempts to demonstrate how the combined effect of EO and AO on NPD process and performance outcomes. Two primary research questions are addressed in this study.

1. Does NPD performance vary with different combinations of EO and AO? If so, which combination is relevant to the optimal level of performance?

2. Are there significant differences in the effectiveness of NPD process and program relevant to the implementation of EO and AO? If such is the case, which combination is linked to the superior level of NPD process and program?

Method and Data
This research collected primary data from the electronics industry in Taiwan. The unit of analysis of this study is at firm level. We designated senior managers as key informants and request them to inform overall firm strategic actions and NPD practices. A total of 141 usable questionnaires were obtained, which was a response rate of 28.09%. Hypothesized model relationships were assessed using the analysis of covariance (ANCOVA) and multivariate analysis of covariance (MANCOVA).

Summary of Findings
Empirical results provide support for the four groups of firms (Entrepreneurial/alliance oriented firms/EA firms, entrepreneurial orientation firms/EO firms, alliance-oriented firms/AO firms, and conservative firms/CO firms) are all significantly associated with variation in the NPD process (NPD decision-making flexibility, market- and internally-focused learning), NPD program (product program meaningfulness and newness), and NPD performance (new product success) outcomes. More specifically, EA firms are more predominant than EO firms, AO firms, and CO firms in terms of NPD process and program effectiveness, while EO firms achieve superior market- and internally-focused learning, product program innovativeness in terms of meaningfulness and newness, and new product success than AO firms. This supports the notion that EO and AO are complementary in improving NPD effectiveness.

Key Contribution
This research contributes to the literature in the threefold. First, this research might be one of the first to consider the alignment of EO and AO, especially in the context of NPD. We offer a more integrative and systematic view on the impact of EO and AO on NPD process and program characteristics and NPD performance and further provide empirical...
evidence. Second, this study offers evidences that there is value in blending entrepreneurship and strategic alliance concepts. Finally, this study reinforces recent research in strategic orientation that recognizes a new set of imperatives, such as the alignment among different strategic orientations in the context of NPD.

*References are available on request.*
Customer Involvement and New Product Performance: The Mediating Role of Marketing and Technological Capabilities

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Todd J. Arnold, Oklahoma State University

Keywords: customer involvement in NPD, new product performance, marketing capabilities, technological capabilities

Description: This paper advances the knowledge on the concept of customer involvement in NPD by investigating the respective impact of customer involvement in information sharing (CIS) and customer involvement in coproduction (CIC), and further demonstrates the underlying mechanism through which CIS and CIC affects new product success.

EXTENDED ABSTRACT

Research Questions
While customer involvement contributes to new product performance, this study attempts to explain the exact role of customer involvement in NPD and the process through which it influences new product performance through a firm’s enhancement of marketing and technological capabilities. Three primary research questions are addressed in this research.

1. How does customer involvement contribute to new product performance of a firm?

2. Do customer involvement in information sharing (CIS) and customer involvement in coproduction (CIC) affect new product performance through the development of marketing and technological capabilities?

3. Do CIS and CIC have differential impacts on marketing and technological capabilities?

Method and Data
The primary data for this research came from electronics companies in Taiwan. Senior managers were designated as the key informants, and a total of 101 usable questionnaires were obtained. Hypothesized model relationships were assessed using partial least square-structural equation modeling (PLS-SEM).

Summary of Findings
Empirical results provide support for our proposed mechanism behind the customer involvement-new product performance link. Specifically, the results indicate that marketing and technological capabilities fully mediate the relationships between CIS/CIC and new product performance. In addition, CIS relates more significantly and strongly than CIC to marketing capabilities. Furthermore, the results indicate that the interactive effect of marketing and technological capabilities on new product performance is significant and positive.

Key Contribution
This research contributes to the literature in several aspects. First, by using the key elements of the resource-based view (RBV) and service dominant logic (SDL) as our theoretical lens, this study articulates and offers evidence on the internal process of CIS/CIC → marketing and technological capabilities → new product performance. Second, this research presents a new perspective of the roles of CIS and CIC in the development of marketing and technological capabilities. Third, this study advances the literature by identifying the relative role of CIS and CIC on the development of marketing and technological capabilities of a firm. Finally, this study stimulates research on the synergy of marketing and technological capabilities in the context of NPD by empirically investigating the interactive effect of these two capabilities on new product performance.

References are available on request.
International Entrepreneurial Culture and International New Venture Performance: The Mediating Role of Entrepreneurial Marketing

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Keywords: international entrepreneurship, entrepreneurial marketing, international new ventures, opportunity-based view

EXTENDED ABSTRACT

Research Question
How do international new ventures leverage an entrepreneurial culture to develop nonconventional marketing skills to overcome their liabilities of size and newness to drive international performance.

Method and Data
To assess the measurement model of the study factors, we conducted a second-order CFA (Zou and Cavusgil, 2002). Due to the large number of measurement items included in the study, we estimated two measurement models (Bentler and Chou, 1987). The first includes IEC as a second-order construct. The second includes entrepreneurial marketing and INV performance as second-order constructs. We conclude that all constructs in the measurement models possess convergent and discriminant validity and second-order CFA models fit the data adequately.

Using a sample of 286 high-technology international new ventures, we tested the structural model using SPSS AMOS 25. To achieve a ratio of sample size to estimated parameter of greater than 5 to 1 which is necessary for reliable parameter estimates, a parsimonious structural model estimation (SME) procedure was used to test the hypotheses for this study.

Key Contributions
First, there has been a lack of empirical studies that examine INV's opportunistic nature as it relates to creating success in international markets. We place a focus emerging opportunity-based constructs: international entrepreneurial culture and entrepreneurial marketing. Consequently, our research offers new discussion to examine INV's' opportunity exploration and exploitation attributes.

Second, our results suggest that entrepreneurial marketing mediates the relationship between IEC and INV performance. IEC generates strong performance in international markets indirectly through its influence on entrepreneurial marketing.

Accordingly, an IEC must be transferred into novel marketing skills of INV's so that they create competitive positions in global markets. Presumably, IEC needs entrepreneurial marketing to achieve superior INV performance.

Third, this study fills the gap of under-researched INV's from a key emerging market, India, as we find evidence that an entrepreneurial culture along with entrepreneurial marketing to be key drivers of performance. With this study we contribute to the call for more research focused on emerging markets. We aim to increase our understanding of Indian INV's and to analyze them with a unique conceptualization of IEC–INV performance.

Lastly, from a theoretical point of view, this study attempts to advance the growing opportunity-based perspective in IE research. This study is an attempt to address the gap in IE theory on the interplay among IEC, entrepreneurial marketing, and performance of INV's. Cast in the opportunity-based view framework, we employ the notion of IEC to explain the international success of INV's. If firms possess strong entre-
entrepreneurial behaviors and strategies, they are more likely to engage in ventures seeking opportunities beyond domestic borders. Theoretically speaking, our findings suggest that, to be successful in international markets, INVs should develop a mixture of activities and processes that permit them to tap opportunities to maximize their utility for international performance.

**Summary of Findings**

Our research suggests an IEC supports international performance of INVs; specifically, through the development of entrepreneurial marketing activities. The results indicate that IEC is positively associated with entrepreneurial marketing. This finding is consistent with the literature confirming that entrepreneurial proclivities secure higher-up coordination of marketing activities by supporting choices about how the international new venture will seek customers in effort to achieve its targeted objectives. Therefore, an IEC stimulates more opportunity driven and value creation activities as well as customer-focused innovation as entrepreneurial marketing strategies in hi-tech INVs. Additionally, the findings show that entrepreneurial marketing is positively associated with INV performance. This result suggests that implementing entrepreneurial aspects to the marking function is an important driver of performance in high-tech INVs.

Furthermore, our results do not find support for the direct effect between IEC and INV performance. This is contrary to findings of previous studies that have found a positive effect of entrepreneurship on an INV’s international performance. We submit that IEC is not a skillset used to directly acquire market share and generate revenues. Presumably, IEC needs entrepreneurial marketing to achieve superior INV performance.

Overall, our findings provide support for the mediating role of entrepreneurial marketing in determining the impact of IEC on the international performance in INVs. Moreover, entrepreneurial marketing activities seem to play a salient role for INVs originating from emerging market economies. Considering that many INVs from emerging markets have insufficient tangible resources to compete, this study demonstrates that they tend to excel through having a superior ability to leverage entrepreneurial dynamics of marketing to successfully reach out into international markets. An IEC therefore must be transferred into nonconventional marketing skills that are used to add value to products and services of INVs, to attract customers and develop competitive positions in the marketplace.

*References are available on request.*
Scale Development of Synergistic Capability Based on Logistics Innovation and its Effect on Market Orientation and Performance

Wang Xiaoyu, South China University of Technology
Ran Linzan, South China University of Technology

ABSTRACT

The way that market orientations facilitate firms’ performance is a key issue for both firms and research scholars, especially in view of the escalating global competition and the need to transform marketing strategies to compete in a rapidly developing marketplace. More and more firms are using synergistic and cooperative relationships with external companies to achieve market-oriented goals. However, current research seldom focuses on building synergistic relationships based on logistical outsourcing and innovation or the impact this has on market orientation-performance.

This paper demonstrates the way market orientation and synergistic innovation with logistics companies improves performance, and analyzes its effect on market orientation-performance. Samples of 280 logistics outsourcing firms from 21 provinces and cities in China are analyzed and a measurement model is built; exploratory factor analysis and linear regression analysis are used to test this measurement model and theoretical hypotheses.

The empirical results are as follows: First, there are two dimensions to this relationship including external innovative synergy and internal innovative synergy. Second, customer orientation and competitor orientation have separate positive and significant influence on each of the two dimensions. Third, external innovative synergy and internal innovative synergy have positive and significant impact on the firm’s logistics service performance and market performance. Forth, customer orientation and competitor orientation have positive and significant impact on the firm’s logistics service performance and market performance. In conclusion, market orientation affects logistics service performance and market performance through two dimensions including external innovative synergy, and internal innovative synergy. In other words, external innovative synergy and internal innovative synergy are important mediators that facilitate a firms’ market orientation performance.

This study builds and tests a measurement model of synergistic capability based on logistics innovation and its effect on market orientation-performance relationship. It also indicates the theoretical mechanism of market orientation, and how using synergistic relationships with external companies facilitates performance. These findings have an important practical significance for Chinese firms, demonstrating how they can develop this capability, especially external innovative synergy and internal innovative synergy. These two dimensions will enable them to successfully apply market orientation strategies for better performance.

Keywords: synergistic capability, logistics innovation, market orientation, market performance, logistics service performance

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Introduction

Market orientations facilitate firms’ performance is a key issue for both firms and research scholars (Humphreys and Carpenter, 2018). With Chinese economic slowdown, more and more Chinese firms tend to be market oriented and innovated in order to face the challenge of transformation and upgrading. The influence of market orientation on firm performance has been continuously and widely concerned, especially the mediate variables like innovation and resource or capability (Gao and Liu, 2017; Wang and Cai, 2016).

Firms in emerging economies might improve their innovation through network (Li and Lee, 2013). The existing research shows that firms and other external channel members or the internal logistics department and other support departments communicate with each other in the process of coordination, constantly adapt to each other and make adjustments to work for common interests, thus creating synergies (Rahatullah, 2008). Cooperation between firm and third-party logistics (3PL) has a positive impact on market performance (Sinkovics and Roath, 2004; Wang, Zhang, Ran, 2018).

But what is the situation when a firm faces logistical challenges? Is logistics provider able to help by innovation? If yes, what are the components of logistical innovation based on a outsourcing relationship? And what is its role on market orientation and performance relationship? This study focuses on the scale development of innovative synergy based on logistics outsourcing and its impact on the market orientation-performance relationship. Based on theories including resource-based and synergy and by in-depth interview, this study builds measurement model and cause-effect model then test them through data collected by questionnaires.

The next sections first review the past literature on market orientation and performance, innovative synergy, then present conceptual models and assumptions. Data analysis and results are reported after the research methods. Finally, the conclusions based on the findings are summarized.

Literature Review

Market Orientation and Performance

Narver and Slater (1990, P21) point out that market orientation is an organizational culture that creates the necessary behaviors most effectively and efficiently, thereby creating outstanding value for the buyer and even achieving the outstanding performance of the enterprise. According to the in-depth interview, the market orientation is composed of two dimensions, which is customer orientation and competitor orientation. This dimension is consistent with a number of related studies and empirically examines its significant impact on corporate performance (Sinkovics and Roath, 2004). Customer orientation refers to the enterprise focus on providing quality services to customers. Competitor orientation refers to the idea that an enterprise collects competitor information and the competitor responds to the activity of the Enterprise (Sinkovics and Roath, 2004).

In the context of logistics outsourcing, in order to fully reflect the situation, performance includes market performance and logistics service performance. Based on interviews market performance is about adapting to the market environment, grasping market opportunities and satisfying customers. Logistics services performance refers to the specific performance of the firm during the logistics process to satisfy customer needs.

According to resource-based theory in marketing, market-based resources such as a market orientation and marketing-related capabilities represent key sources of competitive advantage and firm performance (Jaakkola, el etc, 2016). Market orientation improves product innovation and finally facilitate export performance (Zhang, Zhu, 2016). Literatures on market orientation and performance mainly examine mediators including innovation, resource or capability, relationship, strategy and their interactions, and the conclusions are inconsistent. Many research show that supply chain capability (Tan, Bi, Smyrnios, 2014), organizational learning and marketing innovation (Yang, Liu, 2006) play full mediating roles, but some researchers found that service innovation (Cheng, Chen, 2017) or marketing resources and marketing capability (Zhang, Zhu, 2016) are partial mediators.

Therefore, driven by market orientation, firms cooperating with logistics providers can help to enhance the differentiated advantages of firms in logistics services and from competitors. It can be seen that scholars’ research on the mediating effect of the relationship between market orientation and performance has expanded beyond the scope of individual firms, and pays attention to the influence of inter-firm relations, but lacks the ability to build firms and its relationship with market orientation and performance based on specific background.

Innovative Synergistic Capability

In order to face new challenges and to be able to focus on their core competencies, firms all over the world are expanding the outsourcing logistics activities. Based on this cooperative relationship, logistics provider has scale advantage and professionalism to reduce enterprise logistics costs, enhance logistics service efficiency and efficiency, increase flexibility. It is pointed out that two parties make changes in the process of adaptation and adjustment and work for common interests to produce synergies.
Stank et al. (2001, p39) indicated that “Collaboration is needed both within and beyond the firm’s boundaries. The benefits are synergistic.” Persaud (2005) believes that synergy is the output or effect that a single enterprise cannot obtain based on the cooperation and interaction between enterprises, which can absorb some resources, and its empirical results show that cooperation among global research and development units of multinational corporations enhances the cooperative innovation ability of the group. Firms could build innovation capability through top management innovativeness, firm resources (Wang and Dass, 2017) and External Knowledge (Wang, Arnett and Hou (2016). Ruan, Wei and Zhang (2016) found that the willingness to cooperate and innovation is the basis for innovative synergy. Wang, Ma and Yang (2015) in the strategic outsourcing scenario, innovative capability is consisted of product innovation capability, process innovation capability, management innovation capability and technological innovation capability.

This research focuses on cooperation with third party logistics to deal with new problems. In this process of logistics outsourcing, firms need to work with the outsourcing team from all aspects, at the same time the various departments within the firms and logistics departments need to be cooperative too. This is conducive to the development of innovative synergistic capability and ultimately to improve the performance of firms. Wang and Cai (2016) and Wang, Zhang and Ran (2018) separately explore the dimensions of operational synergy and logistical synergistic capabilities and their role on market orientation and performance.

In this paper, innovative synergistic capability is defined as the higher order innovative capability based on logistics outsourcing, which includes two factors: external innovative synergy between firms and outsourcing parties and internal innovative synergy among various departments within firms.

External innovative synergy refers to the coordination of logistics demand when firms and logistics outsourcing parties respond to the logistics challenges caused by new products and services. Firms synergistic innovation is a process of communication-coordination-cooperation-synthesis (Chen and Wang, 2005; Chen and Yang, 2012), scholars use process innovation capability (Wang, Ma and Yang, 2015) or process innovation (Zhou and Tang, 2015) or process innovation as an important dimension of innovation capability or technological innovation. The in-depth interview shows that in order to complete the new logistics business caused by new products or services, firms and logistics outsourcing parties need to communicate in two directions on demand, design and implementation many times.

Internal innovative synergy means that the logistics support department cooperates with the logistics related departments to cooperate address new business and unique logistics needs. The in-depth interview on typical firms show that the firm cooperate with logistics outsourcing parties need its internal logistics related departments and logistics support department to work together to resolve new issues.

**Conceptual Models and Hypotheses**

According to resource-based theory and Source-positional advantage-performance framework (Singh, 2009), market orientation and logistics outsourcing facilitate innovative synergistic capability and improve performance finally. The conceptual model shown in figure 1 illustrates the interrelationship between market orientation, innovative synergistic capability and performance. The paper points out that the market-oriented
(customer-oriented and competitor-oriented) of firms can improve the level of innovative synergistic capability, and then affect the performance of enterprises (market performance and logistics service performance). In short, the following hypothesis will be empirically tested in this paper.

**H1a:** Customer orientation positively affects logistics service performance. That is to say, the more customer oriented of the firm, the better the logistics service performance it presents.

**H1b:** Competitor orientation positively affects logistics service performance. That is to say, the more competitor oriented of the firm, the better the logistics service performance it presents.

**H1c:** Customer orientation positively affects market performance. That is to say, the more customer oriented of the firm, the better the market performance it presents.

**H1d:** Competitor orientation positively affects market performance. That is to say, the more competitor oriented of the firm, the better the market performance it presents.

**H2a:** Customer orientation positively affects external innovative synergy. That is to say, the more customer oriented of the firm, the better the external synergy it presents.

**H2b:** Competitor orientation positively affects external innovative synergy. That is to say, the more competitor oriented of the firm, the better the external synergy it presents.

**H2c:** Customer orientation positively affects internal innovative synergy. That is to say, the more customer oriented of the firm, the better the internal synergy it presents.

**H2d:** Competitor orientation positively affects internal innovative synergy. That is to say, the more competitor oriented of the firm, the better the internal synergy it presents.

**H3a:** External innovative synergy orientation positively affects logistics service performance.

**H3b:** Internal innovative synergy positively affects logistics service performance.

**H3c:** External innovative synergy positively affects market performance.

**H3d:** Internal innovative synergy positively affects market performance.

**Research Methods and Data Analysis**

This study develops innovative synergistic capability construct based on in-depth interviews. The hypothesized model is tested using survey data gathered from over 280 Chinese companies. The analyses are performed using linear regression analysis.

A survey was conducted in Guangdong and other provinces aiming at firms collaborating with 3PLs. We get 280 sampled firms successfully including varied industries like manufacturers or brands (50.318%), traders or dealers (25.159%) and retailers (25.159%).

The private-owned enterprises accounted for the most (57.643%). Due to political and economic reforms and geographic strength of Guangdong province, many entrepreneurs are able to start their own businesses. Therefore, it is acceptable to have a high ratio of private-owned companies and manufacturers, traders in the sample reflecting changes and situation in Guangdong province economy.

We conduct three steps to analyze the data for testing hypotheses and conceptual model. Step 1, in order to achieve factor structure of innovative synergistic capability, we conduct exploratory factor analysis. Step 2, we calculate Pearson correlations and Cronbach’s alphas of these research variables. Step 3, we use regression modeling to examine the interrelationships of these research variables and test the hypotheses.

**Factor Analysis**

We use principal component method with varimax rotation to factor items of innovative synergistic capability. A two-factor solution is achieved to stand for it. All remained items reported a loading value greater than 0.500, indicating a plain and incontestable structure. A 71.832% variance of innovative synergistic capability is found which is explained by 7-item external innovative synergy and 4-item internal innovative synergy. The composite reliabilities are 0.934 and 0.847 separately for innovative synergistic capability, which states a good internal consistency of reported factor structures.

**Correlation Analysis**

Pearson correlation method is used to reflect the correlation of the variables. As you can see from table 2, 6 variables, such as customer orientation, competitor orientation, external innovative synergy, internal innovative synergy, logistics service performance and market performance, have significant correlations in 0.01 level, and the correlation coefficient between 0.440 and 0.713 (not more than 0.75, so there is no multiple co linearity, suitable for further data analysis). It shows that the relationship between the variables is very strong, but the specific influence path is not clear, this paper will use regression model for further analysis and hypothesis testing.
As can be found from table 3, customer orientation and competitor orientation significantly affect logistics service performance, so H1a and H1b are supported. Similarly, customer orientation and competitor orientation significantly affect market performance, so H1c and H1d are supported.

Customer orientation is verified to significantly affect external innovative synergy and internal innovative synergy. Hence, H2a and H2b are supported. Competitor orientation is verified to significantly affect external innovative synergy and internal innovative synergy. Hence, H2c and H2d are supported too. Logistics service performance is explained by

<table>
<thead>
<tr>
<th>Table 1. EFA of Innovative Synergistic Capability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Items</strong></td>
</tr>
<tr>
<td><strong>External innovative synergy (EIS)</strong></td>
</tr>
<tr>
<td>When the Client accepts new product design and agrees on-site assembly process, the firm develops reinforcement of the product suitable for the transportation conditions according to the logistics requirements.</td>
</tr>
<tr>
<td>When the Client accepts new product design but disagrees with on-site assembly process, the firm adjust product design to achieve synergy goals and require 3PL to carry out logistics solution innovation</td>
</tr>
<tr>
<td>The firm re-examines the product design and processing assembly process according to the actual logistics conditions feedback from the 3PL.</td>
</tr>
<tr>
<td>3PL develops new logistics transportation routes based on new service needs</td>
</tr>
<tr>
<td>3PL develops new loading and unloading operations based on new service needs</td>
</tr>
<tr>
<td>3PL develops new design implementation plans based on new service needs</td>
</tr>
<tr>
<td>3PL develops new site surveys and expert arguments based on new service needs</td>
</tr>
<tr>
<td><strong>Internal innovative synergy (IIS)</strong></td>
</tr>
<tr>
<td>Logistics support departments cooperate with logistics related departments to solve new problems</td>
</tr>
<tr>
<td>The firm develops corresponding operation guidance procedures to meet the needs of new logistics business</td>
</tr>
<tr>
<td>The firm arranges the logistics related departments to carry out on-site investigation and internal evaluation according to the new logistics requirements.</td>
</tr>
<tr>
<td>The firm is innovative thinking</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2. Pearson Correlation Analysis Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variables</strong></td>
</tr>
<tr>
<td>CUO</td>
</tr>
<tr>
<td>COO</td>
</tr>
<tr>
<td>EIS</td>
</tr>
<tr>
<td>IIS</td>
</tr>
<tr>
<td>LSP</td>
</tr>
<tr>
<td>MP</td>
</tr>
</tbody>
</table>

Note: *p<0.05, **p<0.01, ***p<0.001

**Hypothesis Testing**

As can be found from table 3, customer orientation and competitor orientation significantly affect logistics service performance, so H1a and H1b are supported. Similarly, customer orientation and competitor orientation significantly affect market performance, so H1c and H1d are supported.
### Table 3. Results of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hyp.</th>
<th>Relationship</th>
<th>Sta. path coefficient</th>
<th>Sta. error</th>
<th>T value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>CUO-&gt;LSP</td>
<td>.624***</td>
<td>0.048</td>
<td>13.416</td>
<td>Support</td>
</tr>
<tr>
<td>H1b</td>
<td>COO-&gt;LSP</td>
<td>.606***</td>
<td>0.045</td>
<td>12.807</td>
<td>Support</td>
</tr>
<tr>
<td>H1e</td>
<td>CUO-&gt;MP</td>
<td>.623***</td>
<td>0.046</td>
<td>13.381</td>
<td>Support</td>
</tr>
<tr>
<td>H1d</td>
<td>COO-&gt;MP</td>
<td>.683***</td>
<td>0.040</td>
<td>15.688</td>
<td>Support</td>
</tr>
<tr>
<td>H2a</td>
<td>CUO -&gt;EIS</td>
<td>.558***</td>
<td>0.052</td>
<td>11.292</td>
<td>Support</td>
</tr>
<tr>
<td>H2b</td>
<td>COO -&gt; EIS</td>
<td>.539***</td>
<td>0.049</td>
<td>10.757</td>
<td>Support</td>
</tr>
<tr>
<td>H2c</td>
<td>CUO -&gt;IIS</td>
<td>.713***</td>
<td>0.041</td>
<td>17.070</td>
<td>Support</td>
</tr>
<tr>
<td>H2d</td>
<td>COO -&gt; IIS</td>
<td>.635***</td>
<td>0.042</td>
<td>13.814</td>
<td>Support</td>
</tr>
<tr>
<td>H3a</td>
<td>EIS -&gt; LSP</td>
<td>.440***</td>
<td>0.052</td>
<td>8.219</td>
<td>Support</td>
</tr>
<tr>
<td>H3b</td>
<td>IIS -&gt; LSP</td>
<td>.535***</td>
<td>0.053</td>
<td>10.626</td>
<td>Support</td>
</tr>
<tr>
<td>H3c</td>
<td>EIS -&gt; MP</td>
<td>.498***</td>
<td>0.048</td>
<td>9.643</td>
<td>Support</td>
</tr>
<tr>
<td>H3d</td>
<td>IIS -&gt; MP</td>
<td>.601***</td>
<td>0.048</td>
<td>12.624</td>
<td>Support</td>
</tr>
</tbody>
</table>

Note: *=p<.05, **=p<.01, ***=p<.001

### Table 4. Results of Intermediate Testing

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.389</td>
<td>0.204</td>
<td>6.808</td>
</tr>
<tr>
<td></td>
<td>CUO</td>
<td>0.644</td>
<td>0.048</td>
<td>0.624</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>1.193</td>
<td>0.218</td>
<td>5.464</td>
</tr>
<tr>
<td></td>
<td>CUO</td>
<td>0.568</td>
<td>0.057</td>
<td>0.550</td>
</tr>
<tr>
<td></td>
<td>EIS</td>
<td>0.129</td>
<td>0.054</td>
<td>0.133</td>
</tr>
</tbody>
</table>

Dependent Variable: LSP
external innovative synergy and internal innovative synergy separately, so H3a and H3b are supported. Market performance is explained by external innovative synergy and internal innovative synergy. Hence H3c and H3d are supported too.

**Intermediate Testing**

In order to further test the mediating effect of innovative synergistic capability on market orientation and performance relationship, step wise linear regression analysis is conducted. As see in table 4 that external innovative synergy has partly mediating effect on customer orientation and logistics service performance relationship.

The same result is for customer orientation and market performance relationship. It also partly mediates the relationship between competitor orientation and logistics service performance, competitor orientation and market performance. Internal innovative synergy is the same. So innovative synergistic capability plays an important mediating roles in the relationship between market orientation and performance.

**Discussion**

This study creates and empirically tests the 2-factor structure of innovative synergistic capability, which emphasizes that external innovative synergy and internal innovative synergy are all important for the firm that collaborates with 3PLs. Market orientation is verified to positively affect innovative synergistic capability. External innovative synergy and internal innovative synergy are found to positively predict logistics service performance and market performance. Customer orientation and competitor orientation positively affect logistics service performance and market performance. The better customer orientation and competitor orientation the better logistics service performance and market performance is which in some extent tests the importance of market orientation to a firm.

The findings of this study contribute to the existing literature in several ways. First, this study is among the first to investigate the innovative synergistic capability in the logistics outsourcing context. Though prior literature provides substantial insights into partners’ participation in innovation in the B2B context, few studies have shed light on how the participation in a firm’s innovation exactly works. This study offers some initial insights into this problem by identifying two sub-factors for this important innovative synergistic capability. Specially, we propose that, innovative synergistic capability in the logistics outsourcing context consists of two separate activities, namely external innovative synergy and internal innovative synergy.

Second, this study contributes to the general innovation literature by providing a robust scale for measuring the innovative synergistic capability construct. While previous studies have highlighted the importance of such capability, no studies have provided a clear guideline for measuring this important construct. This study identifies the important elements involved in the innovative synergy process in the logistics outsourcing context and provides a valid scale to measure this concept. Thus, our study extends the innovation literature by providing a sound approach for uncovering more underlying mechanism behind the innovative synergistic capability.

Third, this study provides a comprehensive theoretical framework for understanding how innovative synergistic capability improves firm performance. Specifically, our results suggest that customer orientation and competitor orientation motivates a firm to promote the innovative synergistic capability, which will improve the firm’s logistics service performance and the market performance.

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*Sponsors: China Scholarship Council (Liujifa [2018] 3103); National Social Science Fund (12CGL036).*
The Product Is Me: Hyperpersonalized Consumer Goods As Unconventional Luxury

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Germán Contreras Ramirez, Externado University
Jeffrey Campbell, University of South Carolina
Philipp Klaus, University of Monaco

Keywords: hyperpersonalization, nutrigenomics, unconventional luxury, wellness, consumer goods

Description: This study explores hyperpersonalized wellness products (e.g., facial serum, custom-prepared meals, vitamins) as unconventional luxury products and demonstrates the extent to which consumers assign price premiums to these products.

EXTENDED ABSTRACT

Research Question
Rosenbaum et al. (2017) refer to the personalization of consumer goods based on a person’s unique DNA, which is typically obtained through saliva, as the “hyperpersonalization” of products, which retail pundits believe will soon be altering the fitness, health, and beauty industries (Cutter, 2017). The consumer health, beauty, and nutrition industries, which all encompass the wellness industry, traditionally appear in luxury research (Park and Reisinger, 2009).

The goal of this research is to explore whether hyperpersonalized products represent “unconventional” luxury goods by investigating the extent to which consumers are willing to pay a so-called equity premium (Aït-Sahalia, Parker, and Yogo, 2004), which represents the premium price charged by a luxury product compared with its mass-produced counterpart. Given the dearth of research on hyperpersonalized products, the goal of this research is to engage in an exploratory study on price premiums. More specifically, this research empirically asks the following questions by exploring hyperpersonalized cosmetics, nutrition, and vitamins:

RQ1: Are consumers interested in purchasing hyperpersonalized wellness products such as (a) facial serum, (b) custom-prepared meals, and (c) vitamins when compared with their mass-produced counterparts?

RQ2: Do consumers attribute price premiums to hyperpersonalized wellness products such as (a) facial serum, (b) custom-prepared meals, and (c) vitamins when compared with their mass-produced counterparts?

Method and Data
One hundred participants (M_age = 27.40, SD_age = 8.02; age range: 18–53 years) took part in this study. We recruited participants from a convenience sample of shoppers at a high-end mall in Latin America. The sample consisted of 50 Latino women and 50 Latino men. We randomly selected 50 participants (25 men and 25 women) to read an informational pamphlet about a facial serum. We then randomly selected another 50 participants (25 men and 25 women) and asked them to read a pamphlet about the same facial serum; however, in this case, the customer needed to provide the company with a saliva swab and mail in the swab and then would receive a hyperpersonalized serum based on his or her DNA. The informational pamphlet also featured a small logo of a DNA strand and a tagline that read, “unique for your DNA.”

We measured a participant’s willingness to purchase the facial serum with four statements adapted from Dodds, Monroe, and Grewal (1991). To determine the extent of price premiums between the hyperpersonalized and mass-produced facial serums, we drew on the Van Westendorp’s Price Sensitivity Meter (Khandker and Joshi, 2018). Another one hundred participants took part in Study 2 and Study 3, respectively.
Summary of Findings

About a decade ago, academic research began to realize that personalized consumer goods, due to the emergence of nutrigenomics, would result in innovations in food consumption, as consumers would be able to receive personalized dietary recommendations based on their own DNA (Fenech et al., 2011). A decade later, hyperpersonalization is now becoming a reality.

The data presented here link hyperpersonalization to the unconventional luxury paradigm by revealing the extent to which consumers attribute price premiums to hyperpersonalized wellness products, including facial serums, custom-prepared meals, and vitamins. The reason that we use the term “unconventional” is that luxury research emphasizes consumer goods that are purchased for public prestige, or for consumers to exhibit their wealth, status, and power to others. Our study demonstrates that hyperpersonalized products can command premium prices and, by their very nature, represent exclusivity and quality by incorporating a consumer’s DNA in the manufacturing process. Given that luxury is generally defined as containing aspects of exclusivity and high quality (Li et al., 2012), we believe that hyperpersonalized products are representative of unconventional luxury. Indeed, we draw on Cristini et al. (2017) who put forth that luxury products are no longer defined as branded products for display but rather as goods and services that exude quality, creativity, excellence, and meaningfulness.

Key Contributions

We encourage researchers to explore hyperpersonalization as a form of conspicuous consumption. Perhaps “Veblen effects” (Bagwell and Bernheim, 1996, p. 349) exist, such that owners of hyperpersonalized products not only exhibit a willingness to pay a higher price for a functionally equivalent good but also do so in a manner that advertises their wealth and social status. Owners of hyperpersonalized goods may engage in word of mouth or promote their usage of goods via social media to win social accolades (Parguel, Delécolle, and Valette-Florence, 2016). Other hyperpersonalized product owners may simply be intrinsically motivated to own the high-quality products (Shao, Grace, and Ross, 2019), such as those made with their own genetic material.

Hyperpersonalization may represent a means for a consumers-goods manufacturer to establish a deep and authentic relationship with its customers by crafting a sense of intimacy, privacy, and exclusivity by assuming a “life mate” role (Graffigna and Gambetti, 2015, p. 605). Indeed, hyperpersonalization may permit organizations to build long-term relationships with their customers and to command premium prices from them. Therefore, we speculate that consumers goods companies will continue to jump on the “hyperpersonalization” bandwagon as new product development becomes customized for individual customers.

References are available on request.
The Effect of Attribute Originality on Consumers’ Adoption of Customization: The Role of Construal Level

Bo Chen, Sungkyunkwan University

Keywords: customization, attribute originality, construal level

EXTENDED ABSTRACT

Research Question
This article investigates the joint impact of the originality of the customizable attributes involved in a customization option and consumers’ construal level on their decision to adopt a customization option.

Method and Data
We conducted two experiments to test our hypotheses. Participants were recruited from a commercial research panel.

Key Contributions
First, this research contributes to the stream of research on customization strategies by highlighting the role of the level of originality of the customizable attribute, which negatively impacts consumers’ adoption intention. Second, this research advances the understanding of consumer behavior in customization practices by applying the construal level theory.

Summary of Findings
We found that, in general, consumers have a stronger intention to adopt a customization option that involves original attributes in comparison to the one that involves common attributes. However, such effect is moderated by individuals’ construal level. Specifically, the negative effect of the originality of customizable attributes on consumers’ intention to adopt a customization option will be attenuated when consumers have a higher construal level.

References are available on request.
Human-Focused Innovation: A New Approach to Creative Invention

Cheryl Nakata, University of North Carolina at Greensboro

Keywords: human-focused innovation, theory of human capabilities

Description: This study proposes a new framework called human-focused innovation to address the question, “How can organizations creatively invent, accounting for complex human involvement?”

EXTENDED ABSTRACT

Research Question
Most companies broach innovation by applying mechanical, task-centric processes such as Stage-Gate in the hopes of developing successful new products. However, this approach does not ensure desirable outcomes as indicated by the high rates of product failure and managerial dissatisfaction (Castellion and Markham 2013; McKinsey 2015; Salgado et al. 2017). It may be timely to reconsider the approach by shifting to human rather than task aspects of innovation, acknowledging the complexity of people’s participation. The purpose of this study is to propose a new framework called human-focused innovation that addresses the question, “How can firms effectively innovate by accounting for complex human involvement?” We proceed by elaborating the human capability theory as a foundation for our study, and then present the human-focused innovation framework based on the theory. We conclude with research and managerial implications of our study.

Summary of Findings
The theory of human capabilities (Sen 1988) asserts that people bring their human-ness to any endeavor, including ones as uncertain as innovation. This human-ness encompasses material aspects such as physical health as well as nonmaterial aspects such as social support (Dagsvik 2013). More specifically, humans have functionings and capabilities. Functionings are various “beings” (states) and “doings” (activities), while capabilities are combinations of functionings. We propose that a human-centric understanding of innovation incorporates these varied functionings as well as capabilities.

Our framework reflects the above notions, and asserts that three human functionings and capabilities working in tandem bring about effective innovation: design thinking, which is a form of problem-solving for creative invention; flourishing, which is subjective and psychological well-being; and mindfulness, which is a state of present awareness in a nonjudgmental way. We posit that design thinking is a “doing” capability propelled by the “being” functionings of flourishing and mindfulness. When this occurs, the innovation process better ensures successful new products.

Key Contributions
We make several contributions to theory and practice. First, we offer a new framework called human-focused innovation that highlights the complex contributions of people to creative invention. This framework attempts to counter the overemphasis on tasks in current models and methods of innovation. Second, we base our framework on the theory of human capabilities, which specifies human complexity in the forms of being and doing as well as capabilities and functionings. By integrating this theory, we highlight subtle yet impactful facets of human involvement in innovation, which have been largely overlooked in past research. Third, we provide to managers a new way of developing products, with a promise of better results. With task-centered methods such as Stage-Gate found to reduce flexibility and learning, resulting in innovations with low market acceptance and financial performance (Sethi and Iqbal 2008), managers are seeking ways of increasing innovation success. Human-focused innovation offers one path.

References are available on request.

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Art of Promotion: Advertising, Promotions, and Integrated Approaches

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A Picture’s Worth a Thousand Words: Using Depictions of Movement in Ads to Tell Stories and Generate Narrative Transportation
Jamie L. Grigsby, Robert D. Jewell, César Zamudio
What Drives Positive EWOM on Native Advertising? The Impact of Design Characteristics and Brand-Content Incongruency

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Keywords: native advertising, brand-content incongruency, design characteristics, eWOM

Description: This study examines the effect of design characteristics and brand-content incongruency on eWOM (likes and comments) of native advertising.

EXTENDED ABSTRACT

Research Question
Native advertising is a practice that resembles the promotional messages as noncommercial content (Wojdynski and Evans 2016). The narrative of connecting the brand and the content theme (brand-content connection) plays an important role in the success of native advertising. Applying incongruency theory that emphasizes the importance of the unexpected-relevant association (Yoon 2013), this study suggested that if the placed brand is out of audiences’ expectancy but relevant to the editorial content, it will raise their attention to process the information and result in more favorable brand evaluation.

RQ1: Will the brand-content incongruency (unexpected-relevant association) leads to positive eWOM of native advertising?

RQ2: Will the design characteristics (vividness and content originality) induce positive eWOM of native advertising?

Method and Data
We collected data from WeChat, one of the most popular social media platforms in China. The selected advertisement followed several criteria, including control of brand reputation, account quality, and seasonality. The sample contained 149 ads. We used content analysis to identify the variables and applied negative binomial regression to examine research questions.

Brand-content incongruency was measured in expectancy and relevancy. Expectancy is defined as the brand information “falls into the pattern evoked by the content theme” (1 = “unexpected,” and 7 = “expected”). Relevancy is defined as the brand information “contributes to the content theme” (1 = “irrelevant,” and 7 = “relevant”) (Heckler and Childers 1992).

Vividness coded whether the ad contains the visual elements of the picture, animation, video. Then a score of vividness was calculated by adding all the visual elements. Content originality was identified if the content was labeled with “original content” that provided from the platform. Positive eWOM was measured with metrics including the number of likes and positive comment on the spon-
Account characteristics, content characteristics, and brand category were included for detecting the alternative explanation. All variables received a substantial level of agreement (alpha ≥ 0.70). The inconsistencies were solved by discussion.

**Summary of Findings**

The impact of brand-content incongruency. Two dimensions of brand-content incongruency, expectancy and relevancy were significant in positive eWOM. As predicted, the high expectancy of brand placement resulted in fewer comments on sponsor ($\beta = .44$, SE = .11; $\chi^2 = 14.93$, $P < .00$). On the other hand, the high relevancy of brand placement resulted to more comments of the sponsor ($\beta = .31$, SE = .12; $\chi^2 = 7.12$, $P < .01$).

The impact of design characteristics. Vividness and content originality were found to be significant in positive eWOM. First, the use of vivid design generated additionally positive comments of the sponsor ($\beta = .30$, SE = .16; $\chi^2 = 3.80$, $P < .05$). Furthermore, content with original label increased likes ($\beta = 1.36$, SE = .28; $\chi^2 = 22.76$, $P < .00$).

**Key Contributions**

The current study has several implications. First, much previous research on native advertising emphasized the effects of the disclosure component and editorial-content component (Hwang and Jeong 2018; Wojdynski and Evans 2016), this study suggests that the connection between brand and content also deserves attention. Second, applying the incongruent perspective, this study uses the brand-content incongruency to explore how the brand relates to content to generate positive eWOM. Standing with the same line of logic in incongruency theory, the current study identified the effect of brand-content incongruency (i.e., unexpected-relevant association) on positive eWOM. Finally, building on the design literature on the website and social media environment, this study confirms the effects of several design characteristics on generating positive eWOM on native advertising. Specifically, the vivid design and content originality positively influenced liking or commenting behavior.

*References are available on request.*
Did You Hear That? Sonic Logos and Consumer Judgments of Logo Shapes

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Lauren I. Labrecque, University of Rhode Island

Keywords: sonic logos, sonic branding, branding, music, advertising

Description: We show how sonic logos that contain specific characteristics of sonic cues can change consumers’ judgements of a brand’s logo shape.

EXTENDED ABSTRACT

Research Question
In our study, we expand on the previous sonic logo research conducted by Krishnan, Kellaris, and Aurand (2012). In their study, they looked at how the number of tones affected consumers’ willingness to pay and processing fluency. In our pretest and experiment, we use the baseline results from Krishnan et al (2012), which showed an optimal 6 sonic tones, and explore how other characteristics of sonic logos, such as timbre, modality, tempo, and key (Bruner 1990), have an effect on consumer perceptions of brands.

Method and Data
In our pretest, we manipulate the characteristics of timbre, modality, tempo, and key that shape consumer evaluations of happiness and sadness in order to create two short (e.g., 4 seconds) composite orthogonal musical stimuli to use in the remainder of our research. In our experiment we show that these two separate sonic logos can affect consumers’ perceptions of a brand’s customer service and attitude towards an advertisement by the mere presence of the sonic logo. In our further experiments, we will continue to tease out various effects that short sonic logos have on consumer sentiment, advertising, and brand perceptions.

Summary of Findings
We found though our pretest and experiment that a happy sonic logo (versus sad or no sonic logo) can amplify the positive effect of an angular visual logo on perceptions of customer service.

Key Contributions
Sonic logos have been around since the original NBC chimes, which was the first sound to receive an audio trademark. Even now, Sonic Logos are utilized as a strategic branding element across a variety of mediums. Despite the importance of sonic logos, surprisingly little research has examined their usage and impact on consumer perceptions of brands. Significant work has investigated other forms of music and marketing such as background music (Park and Young 1986), creating the impression of social presence (Sayin, Krishna, Ardelet, Decré, and Goudey 2015), persuasion in marketing (Bruner 1990; Kellaris and Cox 1989; Park 2003), and through the use of sounds and music in retail or public environments (Beverland, Lim, Morrison, and Terziiovski 2006; Mattila and Wirtz 2001; Morrison and Beverland 2003; Spangenberg, Grohmann and Sprott 2005).

References are available on request.

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Sexual Appeals in Advertisement: How It Has Changed

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Keywords: advertising, sexual appeals, purchase intention, attitude toward ad

EXTENDED ABSTRACT

Research Question
Portrayals of females in ads have been prevalent in the industry for many years, and several research studies investigated the female portrayals and its influence on consumers. While much of this work has investigated stereotypical portrayals of women, the current study aims to better understand how the audience will receive portrayals of women in powerful positions. Specifically, how female sexual power portrayal in advertisement is perceived by the audience?

Method and Data
Three studies are conducted to test the research hypotheses. The first two studies recruited respondents from Amazon Mechanical Turk (Mturk). The third study employed respondents from a consumer panel to increase the generalizability of the findings of the two earlier studies. To analyze the data regressions and t-tests have been used.

Summary of Findings
The results showed that when the ad appeal in print ads for apparel is portraying sexually powerful models, the viewers’ attitude toward ads, attitude toward brand, and purchase intention would significantly improve.

Key Contributions
The main contribution that is offered to practitioners is that there are great opportunities to benefit from the recent trends in the U.S. pop culture as female power and female sexual power have been a recurring theme. Specifically, designing promotional campaigns that portray women as sexually powerful can lead to more effective campaigns. The results of the three studies conducted in current research recommend marketers to benefit from the positive impacts of female sexual power appeals. Across three studies, it is shown that such appeals could lead to a more positive attitude toward ad, and brand, and also higher purchase intention.

References are available on request.

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How Platform Protection Insurance Drives Platform Growth: Natural Experiment and Machine Learning in a Sharing Economy

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Keywords: sharing economy, platform protection, quasi-experiment, platform reputation

EXTENDED ABSTRACT

Research Questions
1. Can PPI drive the growth of buyers’ expenditure and sellers’ revenue?

2. If so, through what pathways it promotes platform growth, i.e. influences on buyers, sellers, and the marketplace?

3. How to identify the causal effect of PPI when the policy is applied to everyone?

Key Contributions
This research extends the literature on buyer protection. We reveal that PPI boosts demand-side spending by encouraging customer variety-seeking behaviors. The demand side boost then enables the supply-side sellers to improve their customer retention and acquisition activities. This translates to a better matching of repeated 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.

Summary of Findings
The results suggest that PPI can boost buyers’ expenditure and sellers’ revenue. Regarding the pathways to platform growth, we find that PPI boosts demand-side expenditure by encouraging customer variety-seeking behaviors with more purchases from different sellers. The demand side boost then enables the supply-side sellers to improve their customer retention and acquisition activities. This translates to a better matching of repeated pairs of buyers and sellers, along with improved rating reputation system.

References are available on request.
When App-Rooming Promotions Work for Multichannel Shoppers: A Field Experiment

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Keywords: app-rooming, app promotions, mobile targeting, multichannel, incentive.

EXTENDED ABSTRACT

Research Questions
1. Are app-rooming promotions effective in driving store spending?
2. Is targeting multichannel shoppers more rewarding than targeting single channel shoppers dynamically over time?
3. What are the subsequent spillover effects on online purchasing and channel expansion and are there any feedback effects on future engagement with the app?

Method and Data
Our data come from a large-scale randomized field experiment sponsored by a Japanese life-style retailer. Over 22,000 customers are randomly selected for the experiment when they log on to this retailer’s branded app to browse information and search for product details before making store visits. These customers are then randomly assigned to one of our four experimental conditions: app-rooming promotions without incentive (just ad message), app-rooming promotions with low incentive, app-rooming promotions with high incentive, and the control baseline (holdout, no message or incentive). On the basis of each customer’s historical spending data, we observe her pretreatment preference of purchasing channels (either single channel or multichannel). From the ‘tap-streaming’ data, we observe her in-app activities when she receives the app push notifications in order to determine the purchase journey stages (either early or late). Specifically, browsing general information on the app indicates an early stage, while searching for product details and inventory availability at a nearby physical store indicates a late stage.

Key Contributions
1. App-rooming opportunity: Mobile apps allow brands to connect with consumers “anytime, anywhere,” nurturing high engagement and easy access to information (eMarketer 2018; Grewal et al. 2016). Consequently, retailers should go beyond app adoption by leveraging in-app promotions, which offer new opportunities of utilizing customers’ digital footprints (and shopping interests) on the app to craft pertinent targeting tactics.
2. Targeting multichannel or single channel shoppers: As in-app activities involve different stages of a purchase journey, marketers should prudently target multichannel shoppers on the app. Conventionally, marketers may think multichannel customers respond more positively to targeted ads. Yet, in the mobile era multichannel customers have much higher expectations of promotions on their personal, small-screen devices. Our surprising findings, that multichannel shoppers are less responsive to app promotions than single channel shoppers in both short and long runs in the late shopping stage, alert managers to some pitfalls of applying app-rooming promotions indiscriminately. App promotions can be optimized by targeting the right segment in the right stage: targeting multichannel shoppers is more effective than targeting single channel shoppers in the early stage, while the reverse holds for the late stage.
3. Integrating digital footprints: In many companies, the digital/mobile and offline marketing departments are
siloed with disconnected cross-channel attributions: marketers are challenged to demonstrate how digital investments impact store sales for omnichannel success. We tackle this challenge and demonstrate the effects of digital app promotions on offline spending directly, as well as subsequent spillover effects on online purchasing, channel expansion, and future app engagement indirectly. These causal dynamic effects from randomized field experiments are critical for multichannel businesses in practice but under-addressed in research.

Summary of Findings
The results suggest that relative to the control baseline, app-rooming promotions with incentives positively affect in-store spending over the 12 weeks posttreatment period. However, multichannel shoppers are not more responsive and sometimes are even less responsive than single channel shoppers in both short and long runs. More surprisingly, app-rooming promotions in the absence of incentives backfire and negatively affect multichannel shoppers’ store spending dynamically over time.

We uncover the underlying mechanism by exploring heterogeneous treatment effects across purchase journey stages. The data suggest that relative to single channel shoppers, multichannel shoppers positively respond to app promotions in the early stage but negatively respond to them in the late stage. Also, the negative effect of app-rooming promotions without incentives among multichannel shoppers is most salient in the late stage but vanishes in the early stage. These heterogeneous findings are consistent with the notion that multichannel shoppers, who have higher spending, expect more rewards and incentives on account of their past patronage (Kim et al. 2009; Kumar and Venkatesan 2005; Reczek, Haws, and Summers 2014). In addition, they are savvier than single channel shoppers in taking advantage of promotional incentives during the check-out process since they have more shopping experience. Usually, customers form higher-level, deliberative mindsets in the early stage in the purchase journey but lower-level, implemental mindsets (e.g., applying coupons toward purchases) in the late stage (Lee and Ariely 2006). Thus, multichannel shoppers may have stronger expectations for rewards and savvier attitudes to apply incentives towards purchases in the late stage. In other words, in the early stage of shopping, multichannel shoppers with higher prior brand familiarity of the retailer glean more useful information from the app-rooming promotions and are less uncertain about how to apply the incentives, and thus, more responsive to promotions than single channel shoppers. However, in the late stage, multichannel shoppers, owing to their higher past patronage, have higher expectations from the retailer than single channel shoppers. When multichannel shoppers receive incentives, they are not displeased or pleasantly surprised. But, when they receive only advertising messages without incentives, they may experience negative disconfirmations and annoyance, and thus, their spending is negatively impacted.

Furthermore, we explore how app-rooming promotions may have spillover effects on customers’ online purchasing, channel expansion behaviors, and future engagement on the app. There might be a cross-channel synergy because once customers visit the store to make purchases, they may resolve product uncertainties and feel more comfortable to order online in the future. However, there could also be a channel substitution effect because conditional on visiting the brick-and-mortar store, customers may purchase the products that would have been ordered online otherwise. We leverage the Local Average Treatment Effect (LATE) framework (Imbens and Angrist 1994) and the exogenous variation created by the experiment to identify the causal cross-channel spillover effects. We find moderate evidence that app-rooming promotions have marginally positive spillover effects from induced store spending to online spending, indicating some causal evidence for omnichannel synergy (between bricks and clicks). Regarding channel expansion behaviors, we find limited evidence that single channel offline shoppers preexperiment become multichannel shoppers postexperiment. Also, the store spending induced by app promotions has some significant impact on future app engagement in terms of app logons and pageviews, which may account for those positive cross-channel spillover effects (the higher the app engagement, the greater the cross-channel synergy and channel expansion behavior would be).

References are available on request.
“Yes, I Recall,” but “No, I Don’t”: How and Why Brand Attribute Negation (Vs. Affirmation) Impairs Brand Recall Memory: The Role of Behavioral Mindsets and Spreading Semantic Activation

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Keywords: negation induced forgetting, recall memory, spreading semantic activation, behavioral mindsets, brand attribute

Description: In four experiments, we demonstrate that brand attribute negation (versus affirmation) impairs brand recall memory through spillover effects of behavioral mindsets and a mechanism of spreading semantic activation.

EXTENDED ABSTRACT

Research Question
A strategy which brands frequently employ in comparative advertising is to negate a feature of a rival brand. A case in point is BMW’s recent ad claim that Audi does not have an “automatic stability control” feature which BMW has. This research examines the implications of such “brand-attribute” negation for brands whose attribute is negated (hereinafter negated brand, e.g., Audi in this case). Specifically, we investigate the following questions: (1) if a brand makes a claim that its competitor (rival) brand does not have a certain attribute, would the claim impact the consumer’s brand recall memory of the negated brand, in a subsequent memory recall task?, (2) what is the underlying mechanism that influences consumer’s brand recall memory of the negated brand under such “brand-attribute” negation?, and (3) what can mitigate the effect observed in (1) above?

Method and Data
Four laboratory experiments document that negating (vs. affirming) a brand’s attribute is powerful enough to impair brand recall memory (experiment 1) and the corresponding underlying mechanism leading to this effect (experiment 2 and experiment 3). Finally, we demonstrate a boundary condition for the documented effect (experiment 4). We structured the experiment 1 as a 2 (brand familiarity: familiar vs. unfamiliar) × 2 (attribute-related action: affirmation vs. negation) simple mixed design, with brand familiarity as the between-subjects factor and attribute-related action as the within-subjects factor with one hundred and nine (N = 109) participants (M_age = 24.24 years; 47% females). Experiment 2 had five between-subjects treatment conditions. Two hundred and fifteen participants (N = 215; M_age = 23.29 years; 43% females) volunteered for the study. In experiment 3 one hundred and nine participants (N = 109; M_age = 23.26 years; 46% females) volunteered in the study. We structured experiment 4 as a 2 (motivation level: high motivation vs. neutral motivation) × 2 (attribute-related action: affirmation vs. negation) simple mixed design, with motivation level as the between-subjects factor and response type as the within-subjects factor with eighty seven participants (N = 87; M_age = 24.87; 38% females).

Summary of Findings
We conducted four laboratory experiments to validate our hypotheses, all of which were supported. Experiment 1 shows that brand attribute negation (vs. affirmation) leads to
impaired brand recall memory. Experiment 2 confirms that semantically activating negation-related concepts have a similar effect on consumer’s judgment of importance toward discrete consumer issues and consumer’s brand recall memory as the experience of explicit negation. Moreover, this judgment of importance and brand recall memory is found to be lower than that caused by semantically activating affirmation-related concepts and explicit affirmation. Consistent with the associative network model of memory (Anderson and Bower 2014), Experiment 3 demonstrates that accessibility of negation-related semantic concepts mediates the effects of explicit negation on consumer’s judgment of importance. Finally, Experiment 4 shows that consumer’s motivation to remember moderates the effect observed in experiment 1.

**Key Contributions**

Our research is the first to show that brand attribute negation (vs. affirmation) can adversely (vs. favorably) influence consumer’s brand recall memory. We show that the effect occurs through the mental activation of negation-related semantic concepts (such as “nullify,” “contradict,” “oppose,” etc.)—something that has not been demonstrated in previous research. The principal contribution of our work is the exploration of the causal mechanism and the convergent empirical evidence we provide in support of it. Central to this conceptualization is the notion that when a brand attribute is negated (vs. affirmed), consumers spontaneously generate semantic associations related to the negation (vs. affirmation), which through a spreading activation mechanism (Collins and Loftus 1975; Higgins, Bargh, and Lombardi 1985) influence their brand recall memory. Furthermore, we show that the nature of the semantically activated concepts generated, corresponding to negation (as against affirmation), influences consumer’s general judgment of importance toward discrete consumer issues, in other unrelated domains (e.g., food, money). This general judgment of importance in turn influences brand recall memory. This research advances our understanding of out-of-domain consumer judgments by demonstrating that negation (as opposed to affirmation) can adversely influence consumer’s judgment of importance toward discrete consumer issues across other unrelated domains.

*References are available on request.*
Prescription Drug Advertising: Recall and Patient Behavior

Ignatius Fosu, University of Arkansas

Keywords: DTCA, involvement, recall, risk disclosures

Description: This paper examines what level of risk disclosure leads to the most recall and how level of involvement impacts asking doctors to prescribe advertised prescription drugs.

EXTENDED ABSTRACT

Research Question
Direct to Consumer Advertising (DTCA) of prescription drugs has its fair share of critics. Among the issues of contention are what balance of risk and benefit information is adequate, and to what extent DTCA impacts the physician-patient relationship. This paper broadly examined two questions: What level of risk disclosure leads to the most recall? What types of patients ask doctors to prescribe advertised drugs? The moderating role of involvement was also examined.

Method and Data Used
An experiment was conducted with print ad stimuli. Three versions of prescription drug ads containing different amounts of risk information (high, moderate, low) were developed based on FDA guidelines and shown to participants in a 3 ¥ 3 between group design. 203 participants were involved. Measures taken included involvement, attitude toward the ad and brand interest. What participants recalled from the ads were assessed via the “any recall” approach where participants were asked to write on a blank page of the questionnaire, a numbered list of any characteristics of the ad they remembered. The researcher coded each participant’s responses into risk information recall and benefit information recall. Participants’ behaviors in relation to DTC advertising were assessed with items adapted from Huh (2003).

Summary of Findings
Participants’ unaided recall of ad information suggested a main effect of level of risk disclosure on recall, with the ads that had moderate amount of risk disclosure eliciting the most recall of risk information. For recall of benefit information, however, there were no significant differences among the three risk disclosure conditions. Involvement was not significantly related to recall of risk information, although it was approaching significance \[ p = .06 \]. In terms of patient behaviors, high involving participants were likely to talk to doctors about advertised drugs and ask doctors to prescribe those drugs. Also, participants’ attitudes toward the ad influenced both talking to doctors and asking doctors to prescribe the advertised drugs. Participants’ brand interests also influenced talking to doctors and asking them to prescribe advertised drugs. It was also found that, generally, those who talked to doctors about DTCA drugs were more likely to ask them to prescribe the drugs.

Key Contributions
Considering concerns about which balance of risk and benefit information is adequate in prescription drug ads, this study suggests the importance of DTC ads using moderate amount of risk information in order to induce the most recall of risk information. This will enable patients make informed decisions regarding whether to talk to doctors about suitability of advertised drugs. As ads with moderate risk disclosures resulted in most risk information recall, this study suggests that the risk information in DTC ads should neither be overwhelming nor sparse. As the FDA allows pharmaceutical companies to use any of the approved options for presenting risk information in DTCA ads, the option with moderate risk disclosure should be encouraged. With regard to benefit information, however, as the different levels of risk information did not seem to impact recall of benefit information across the different conditions, it suggests that marketing practitioners shouldn’t be that concerned about a particular risk disclosure formats necessarily overwhelming the
benefit information (which is what they really seek to communicate) more so than the other formats would. An additional implication of the findings is that to get patients actually talking to doctors about the drugs, advertising strategies that induce favorable attitudes toward the ad and favorable brand interests should be pursued.

*References are available on request.*
Impact of Cultural and Regulatory Fit on Product Evaluations: Information Consistency from Multiple Information Sources

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Keywords: information processing, self-construal, regulatory focus, culture, product evaluation

EXTENDED ABSTRACT

Research Question
To make well-informed purchase decisions, consumers typically integrate and process the information they obtained from various sources such as product, brand, country-of-origin, and advertising messages. How would the cultural and regulatory fit between the information obtained from different sources influence people’s information processing and thus decision making in terms of purchase behavior? The current research investigates consumers’ multiple source information processing procedure and its influence on their decision making at the point of purchase.

Method and Data
A randomized repeated-measured mixed-subjects experiment and a between-subjects experiment were conducted to collect data. Survey questionnaires were administered among over 500 participants.

Key Contributions
The current research contributes to a number of different literature: First, this work provides a systematic investigation of consumers’ implicit and explicit information processing in a scenario when consumers integrate information from multiple sources such as product, original country, and advertising messages to evaluate products and make purchase decisions. Second, we extend the current literature on the country of origin by taking a closer look at a specific dimension of the country image as cultural orientation and its effect on product evaluation. Finally, our research adds to a growing body of regulatory focus research. The current research took one step further and expanded the scope to investigate the regulatory fit between product trait and advertising messages.

Summary of Findings
We conducted two studies to examine the influence of country of origin, the regulatory fit between advertising messages and product attribute on consumers’ product evaluations and purchase intention, accounting for self-construal. Study 1 confirmed the existence of the link between the cultural trait of product and cultural orientation of original country: the cultural fit between the two could mitigate the negative influence of less developed economy of the country of origin on product evaluations. Study 2 revealed a positive influence of regulatory fit between advertising messages and product traits on product evaluations.

References are available on request.
Investigation of Intrinsic and Extrinsic Marketing Communication Motivation in Meeting the Needs Attainment of Malaysian Commercial Fitness Centers for Member Retention amongst Millennials

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Keywords: self-determination, motivation, gym, exercise, marketing communications

EXTENDED ABSTRACT

Introduction
The sustainability of the fitness industry in Malaysia faces an irregular trend of ups and downs with mergers, club requisition and closures being the inconsistent backdrop of fitness brands operation within this region. Health policy initiatives by the Ministry of Health with the support of the Youth and Sports Ministry attempts encourage Malaysians to be more active in physical activity and improve overall health and wellbeing. Although membership rates are high, it is congruent to the rising rates of obesity in Malaysia which could posit that there may be a lack of motivation to exercise. However, to cater to the extensive fitness needs and goals of different members is complicated, there is a need to find out whether commercial fitness members can effectively do that. There are many reasons that could attribute to such a high attrition rate such as service quality, mismatch of needs or even a lack of motivation to exercise. For most members to stay with the fitness centre, the basic need for a motivation to exercise needs to be fulfilled, marketers of commercial fitness centers could play a role in forming this encouragement (Barlas and Kouthouris, 2017). Hence, this research seeks to find how marketing communications mediate the intrinsic and extrinsic motivation for member retention.

Theories and Literature Review
Owing to the fact that churn rates for fitness chains increases, the relevancy of this study offers an opportunity for the industry to understand how behavioral change through the lens of motivational elements under Self Determination Theory by Deci and Ryan (2000). Marketing communications acts as a mediator to ascertain its viability to act as a reinforcement tool for self-determination motives. The current research also integrates the mini-theories of Basic Psychological Need Theory (BPNT), Goals Content Theory (GCT) and Relationship Motivational Theory (RMT) into the conceptual framework. The extrinsic motivation covers body image, social media influencers and close relationships. Whereas, the intrinsic motivation encompasses perceived ability to exercise, holistic health and perceive motivation. Marketing communications is set as a tool to mediate these motivations to ascertain how gyms need to continue to actively engage in both intrinsic and extrinsic key marketing communication as a main source of motivator for members.

Methodology
245 samples were collected from members of major commercial fitness centers based on a G*Power minimum samples size (119) test with an effect size of 0.15 from the Klang Val-
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them through social media influencers and relatedness. This research has shown that for millennials, motivating perceptions of holistic health especially in modern living setting ultimately allowing to be more motivated to stay with the gym. 

Results and Discussion

Out of six variables tested to member retention, three have direct significant relationships which accounts 39.4% of the variance proportion for member retention. The most significant findings to member retention are as follows; Intrinsic Motivation: perceived motivation (β = 0.414, S.E. = 0.055, p < 0.01); holistic health (β = 0.107, S.E. = 0.058, p < 0.05); Extrinsic Motivation: social media influencers (β = 0.207, S.E. = 0.055, p < 0.01), followed by close relationship (β = 0.114, S.E. = 0.055, p < 0.01). Marketing communications and member retention have also been found to have a significant relationship (β = 0.21, S.E. = 0.077, p < 0.01). In terms of mediation, marketing communications have been found to significantly mediate intrinsic motivations of perceived motivation (β = 0.109, S.E. = 0.06, p < 0.01); holistic health (β = 0.15, S.E. = 0.074, p < 0.01); similarly, for extrinsic motivations of body image (β = 0.157, S.E. = 0.062, p < 0.01), social media influencers (β = 0.146, S.E. = 0.06, p < 0.01) and relatedness (β = 0.213, S.E. = 0.061, p < 0.01). This shows that member retention with fitness centers is not only purely explained by extrinsic motivation alone but can be enhanced through marketing communications of intrinsic motivation. It posits that millennials respond positively marketing communications that portrays values of relatedness, perceived ability and holistic health especially in modern living setting ultimately allowing to be more motivated to stay with the gym.

Key Contributions

This research has shown that for millennials, motivating them through social media influencers and relatedness directly for member retention helps to capture the interest of potential members. However, brand marketing communication should strive to continue to retain this interest in a continuous process of giving personal motivation that is relatable to ensure retention of members. It incorporates both the need for belonging and social relatedness in SDT, which regulates this behavior. This result also implies that they not only want to make connections in the fitness center, but need sustainable connections in order to make membership renewals. The Relationship Motivation Theory (RMT) is also evident in this finding as people play emphasis on the importance of fostering and maintain close relationships in the fitness center.

The fact that millennials are perceived to have low perceived ability to exercise could be because millennials are usually perceived as and impatient generation wanting fast results. That, coupled with being unrealistic about their expectation and the time it takes to reach their goal can lead to a low perceived ability on their own exercise regime (Curran and Hill, 2017) and this presents an opportunity for marketers of fitness centers to find ways to consult with their members or create programs that would get members more aligned with their perceived ability.

The intrinsic concepts of holistic health may not be a concept which is well versed with millennial. However, it is viewed in this research that when the right marketing communications exposed this concept can be very much appealing some even covers nutrition and mental well-being. Marketers could benefit by employing other intrinsic cues such as fostering close relationships to motivate members for self-improvement and perceived ability to exercise (be it with a buddy or in a group) in their communications with the members for retention.

Thus, the implication of this study can be applied to larger services of public health sector and overall wellness industry simply by understanding the cognitive narratives of motivators which can help reinforce the right messages for clients just at the right amount and the right time. Due to the constant exposure of these images, marketing personnel need to experiment with different levels and forms of marketing communication channels and ideas in order to help clients feel motivated both internally and externally.

References are available on request.
The Effectiveness of Advertising Messages Causing Guilty Pleasure

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ABSTRACT
It is important how to appeal information to viewers in the modern times when advertisement is full of market. Therefore, we focused on “Emotion” as an element for effectively appealing information to consumers, and discussed the relevance to advertising effects.

Keywords: guilty pleasure, product’s attribute, impact of advertisements, emotions

Introduction
As a result of the progressive increase in the advertising volume and intensified competition among advertisements, viewers are often exposed to advertisements for a single product category. The scope of advertisements is to appeal to viewers. Moscovitch (1976) focused on the concept of discrimination, which is the perceived difference among advertisements within a single product category. The higher the information discrimination, the easier for an advertisement to be adequately perceived. Chandy, Tellis, Macinnis, and Thaivanich (2001) found that, in low-maturity markets, the effect of language-centered advertisements on sales is higher, while in high-maturity markets, the impact of emotional-centered advertising on sales is more significant. The emotions caused by advertisements on viewers are one of the peripheral elements of advertising and are believed to affect information processing (Kishi, 2012; Tellis, 2004).

Guilty pleasure is an emotion that functions as a peripheral element of advertising (Lancellotti and Thomas, 2018). Consumers feel guilty about consumption and consumption conditions when using certain products and services. Thus, they feel greater pleasure as a result of consumption. This is the concept of guilty pleasure. Lancellotti and Thomas (2018) argued that advertisements that generate guilty pleasure increase viewers’ positive attitude toward the advertised product or service. The response to advertising messages that generate guilty pleasure depends on the viewer’s gender. However, screening advertisements based on viewer attributes is not straightforward. Therefore, classifying and analyzing viewers according to their intrinsic characteristics may not be appropriate.

This study classifies advertisements not based on an intrinsic characteristic of the viewer but focusing on the product itself. More specifically, both the new and existing features of a product are considered, and the scenarios in which an advertisement causes a guilty pleasure are identified. By approaching products as a set of attributes, we investigate whether advertisements focus on a product’s attribute (level) and/or cause guilty pleasure (Fishbein, 1963; Ono, 1998), and we compare the impact of advertisements with different
functions. The comparative analysis shows that, in the case of products with attributes that already exist, advertisements that generate guilty pleasure are the most effective.

**Literature Review**

**The Different Functions of Advertising**

Advertisements belong to the 4Ps that constitute the marketing mix. Advertisers see viewers exposed to the media as potential buyers in that they may not be aware of the existence of their products. In this scenario, the advertiser’s products are not purchased; hence, advertisers need to convert viewers into buyers. In other words, advertisers let viewers perceive the existence of their products by sending an advertising message. Therefore, the primary function of an advertisement is indicating the existence of the product (Ono, 1998).

According to the multiattribute attitude model, a product is conceived as a bundle of attributes (Bass and Talarzyk, 1972; Fishbein, 1963). Consumers’ attitude toward products is the sum of products’ attributes and beliefs regarding each product. Likewise, advertisements will consciously or unconsciously generate attitudes toward products. As a result, viewers form positive or negative impressions (Lutz, 1985). A viewer exposed to the media may not know the attributes of a product, even if he/she is aware of the existence of the product. Therefore, advertisers communicate the attributes or attribute level of their products to potential buyers (viewers) not only to make sure that a product is recognized but also for ensuring that such product is preferred over alternatives. Therefore, showing the attributes (level) of products is one of the functions of advertising (Ono, 1998).

**Advertisements That Cause Guilty Pleasure**

When a consumer has never used a certain product category, he/she chooses a product that is perceived as easy to use (Shiv and Huber, 2000). Lancellotti and Thomas (2018) showed that the effectiveness of advertisements that generate a guilty pleasure depends on the gender of the audience. On the one hand, men are characterized by a high agency and do not consider the evaluation of others when choosing a product. Agency is an independent trend and does not place importance on the evaluation carried on by others (Stevens, Maclaran, and Brown, 2003). On the other hand, women are characterized by a low agency and usually take into account the judgment expressed by others.

When a male viewer is presented with an advertising message that causes guilty pleasure, he perceives his action and experience as being negatively evaluated. However, the same message induces a female viewer to imagine the use of the product in the future. Based on the results of their analysis, Lancellotti and Thomas (2018) claimed that advertisements causing guilt delight exert a more significant impact on female viewers.

**The Impact of Discrimination Between Advertisements on the Advertising Effect**

Viewers are often exposed to a large number of advertisements, even within a single product category. Therefore, differentiation is essential for advertisers to appeal to viewers. Moscovitch (1976) focused on discrimination based on the differences among advertisements within a single product category. He argued that the higher the discrimination of information compared to other advertisements, the more the audience can perceive advertisement information. Conversely, if discrimination of information is scarce, viewers see the plurality of advertisements as similar, making it difficult to discriminate among products (Takeuchi, 2012).

**Information Processing Motive and Advertisements Type**

Chandy, Tellis, Macinnis, and Thaivanich (2001) categorized advertisements into language-centered advertisements, which claim the benefits of products based on facts, and emotional-centered advertisements, which claim the benefits of products based on emotions. They investigated the different influence of these types of advertisements on sales and showed that the effectiveness of language-centered advertisements is higher in low-maturity markets, while emotional-centered advertisements are more effective in markets with high maturity.

In markets characterized by low maturity, the knowledge and experience of products are limited, and the motivation for information processing is strong. Therefore, viewers positively respond to a language-centered advertisement, through which they can obtain information on the product. On the other hand, in markets characterized by high maturity, viewers’ motivation for information processing is weak due to the abundant knowledge and experience of products. Therefore, viewers are more likely to have a positive response to emotional-centered advertisements (Takeuchi, 2012).

**Hypotheses**

**Products with Existing Attributes**

Products with existing attributes have socially recognized characteristics. Therefore, the effect obtained by “advertisements indicating the existence of the product” or “advertisements showing an attribute (level)” is generally low (Moscovitch, 1976). Products with existing attributes typically belong to a product category characterized by high market maturity and poor information processing motivation for viewers, as their existence and attributes are known...
(Chandy, Tellis, Macinnis, and Thaivanich, 2001). Thus, in this case, an advertisement that causes a specific emotion is more effective. In this scenario, advertisements that cause guilty pleasure are thought to be more effective. Therefore, we propose Hypothesis 1, as follows:

**H1:** In the case of products with existing attributes, advertisements that generate guilty pleasure are more effective than those indicating the existence of products and their attributes (level).

**Products of Existing Brands with New Attributes**

Companies often sell their existing brands while promoting new attributes for their products. For example, black carbonated drinks are sold as existing brands with the new feature of being transparent. Products of existing brands with new attributes belong to a product category characterized by low market maturity and high information processing motivation for viewers, as they do not have sufficient knowledge of the new attributes (Chandy, Tellis, Macinnis, and Thaivanich, 2001). Thus, an advertisement that conveys linguistic or visual information on a specific attribute is likely to be effective. Also, since these are products of existing brands that have already been the object of advertising messages, the effect obtained by advertisements indicating the existence of the product is not significant. In addition, advertisements that indicate the new attribute (level) are more effective than advertisements that generate guilty pleasure and advertisements indicating the existence of the product. Therefore, we propose Hypothesis 2, as follows:

**H2:** In the case of existing brands with new attributes, advertisements indicating the product attributes (level) are more effective than those indicating the existence of products and those generating guilty pleasure.

**New Products with New Attributes**

New products with new attributes incorporate features that have not been socially recognized yet. These products may generate a new product category because there is no similar product group. Such products are thought to demand a high level of motivation and ability of information processing (Chandy, Tellis, Macinnis, and Thaivanich, 2001). Thus, advertisements that convey linguistic or visual information on the new attributes are likely to be effective. Also, as new products with new attributes are not socially recognized in their existence and attributes, advertisements that convey information on the product itself are also considered effective. Therefore, both advertisements indicating the existence of the product and advertisements showing product attributes (level) are highly effective, in contrast with advertisements that cause guilty pleasure. Therefore, we propose Hypothesis 3, as follows:

**H3** In the case of new products with new attributes, advertisements indicating the existence of products and the product attributes (level) are more effective than those causing guilty pleasure.

**Empirical Analysis**

**Data Collection**

This section verifies the empirical validity of the proposed hypotheses. We conducted an experimental survey and addressed nine types (3*3) of video advertising messages, which indicate the existence of the product, an attribute (level), or cause guilty pleasure for products with existing attributes (Hypothesis 1), products of existing brands with new attributes (Hypothesis 2), or new products with new attributes (Hypothesis 3).

To verify Hypothesis 1, we utilized three kinds of advertisements for instant noodles as a product with existing attributes. These noodles can be easily cooked in a short time. After each video advertising message, we measured the subjects’ attitude toward the advertisement.

For Hypothesis 2, we employed three kinds of video advertisements of water pet bottles as a product of an existing brand with new attributes. This water bottle allows drinking clear water that tastes like coffee. After each video advertising message, we measured the subjects’ attitude toward the advertisement.

For Hypothesis 3, we used three kinds of video advertisements of robot cleaners as a new product with new attributes. These robots clean one’s room automatically. After each video advertising message, we measured the subjects’ attitude toward the advertisement.

Overall, 363 subjects participated in the survey, and 363 valid responses (100%) were collected. The survey participants were both male and female undergraduate students from the Kansai region or social workers.

**Measurement Scale**

To assess the relative effectiveness of the different advertising messages, we adopted the measures developed by Wells (1964), Perrien, Dussart, and Paul (1985), and Leavitt (1970). The participants were asked to answer the question: “What did you think about the video advertising?” We asked participants to express their views by using a seven-point semantic differential method (pleasant-unpleasant)(Wells, 1964), Perrien, Dussart, and Paul (1985), and Leavitt (1970). The participants were asked to answer the question: “What did you think about the video advertising?” We asked participants to express their views by using a seven-point semantic differential method (pleasant-unpleasant). In addition, we adopted a seven-point Likert scale to assess viewers’ perceptions. Participants were asked to choose one from seven values, which range from strongly agree to strongly disagree, for answering two questions about their attitude toward advertising after watching the
video advertising messages. More specifically, they were asked whether the advertisement was interesting, as in Perrin, Dussart, and Paul (1985), and familiar, as in Leavitt (1970). Then, we used the average for each of the three questions as a numerical score of the attitude toward advertising, which is our dependent variable.

**Manipulation Checks**

Before this analysis, we conducted a manipulation check to determine the suitability of the proposed operation of the experimental investigation. Each question item was assessed by using a seven-point Likert scale (1: strongly disagree; 7: strongly agree).

For Hypothesis 1, we verified whether the considered attribute exists. For Hypothesis 2, we checked whether the considered brand exists and whether the considered attribute is a new attribute. For Hypothesis 3, we verified whether the considered product is a new product and whether the considered attribute is a new attribute. For each question, we verified the number of positive and negative answers. More specifically, answers between 1 and 3 were considered negative, while answers between 5 and 7 were considered positive. Then, we conducted a chi-square test. The $\chi^2$ value ($df = 1$) of Hypothesis 1 was 10.94 and significant at the 1% level. The $\chi^2$ values ($df = 1$) for the two question items of Hypothesis 2 were 8.17 and 18.00 and significant at the 1% and 0.1% level, respectively. The $\chi^2$ values ($df = 1$) for the two question items of Hypothesis 3 were 12.48 and 31.18 and significant at the 0.1% level. Therefore, the operation of the experimental investigation was normally performed.

Next, we determined whether the moving image advertisement presented to the subjects was perceived as an advertisement having the function of “indicating the presence of the product,” “indicating the attribute (level),” or “causing guilty pleasure.” Comparison analysis was carried out to assess subjects’ perceptions. With respect to Hypothesis 2, no significant difference was found between advertisements that indicate the existence of the product and advertisements showing product attributes (level) when viewers were shown an advertisement that indicated product attributes (level) ($P > 0.05$). The remaining results were in line with the experimental investigation operation. In all cases, when presenting an advertisement that causes guilty pleasure, the numerical value associated with the advertisement was the same as in the experimental investigation.

**Results**

**Results of Hypothesis 1**

As mentioned before, to examine the empirical validity of the proposed hypotheses, we utilized an advertisement indicating the existence of a product, an advertisement showing an attribute (level), and an advertisement generating a guilty feeling for products with existing attributes, products of existing brands with new attributes, and new products with new attributes.

For Hypothesis 1, the F value was 8.295 and was significant at the 0.1% level. The average values of the attitude toward advertisements indicating a product existence, advertisements showing an attribute (level), and advertisements generating guilty pleasure were 5.214 ($SD = 1.135$), 5.242 ($SD = 1.132$), and 5.723 ($SD = 1.063$), respectively. Figure 1 reports a comparison of these average values.

The comparison analysis shows that the average value (5.723) of the attitude toward advertisements causing guilt pleasure is higher than the average value of the attitude (5.214) toward advertisements indicating the existence of products and the attitude (5.242) toward advertisements showing product attributes (level) (for both $p < 0.01$). Also, the difference between the average value of the attitude (5.214) toward advertisements indicating the existence of products and the average value of the attitude (5.242) toward advertisement showing product attributes (level) was not statistically significant ($p > 0.05$).

Therefore, Hypothesis 1 was supported.

**Results of Hypothesis 2**

For Hypothesis 2, the F value was 16.280 and was significant at the 0.1% level. For advertisements indicating the existence of the product, advertisements indicating product attributes (level), and advertisements that cause guilty pleasure, the attitudes toward advertising were 3.951 ($SD = 1.306$), 4.753 ($SD = 1.353$), and 4.907 ($SD = 1.163$), respectively. Figure 2 reports a comparison of these average values.

**Figure 1. Results of Hypothesis 1**

<table>
<thead>
<tr>
<th>Comparison</th>
<th>average values of advertisements that show the attribute (level)</th>
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<tr>
<td>advertisements that indicate</td>
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<td>the existence of the product</td>
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<td>average values</td>
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<tr>
<td>that cause guilty pleasure</td>
<td>5.723***</td>
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<table>
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<tr>
<th>Comparison</th>
<th>average values of advertisements that cause guilty pleasure</th>
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<tr>
<td>advertisements that show the</td>
<td>5.723**</td>
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<tr>
<td>attribute (level)</td>
<td></td>
</tr>
<tr>
<td>average values</td>
<td>5.723**</td>
</tr>
</tbody>
</table>

**F = 8.295** ($p < 0.001$).

*** indicates significance at the 0.1% level, ** indicates significance at the 1% level, and no mark indicates lack of statistical significance.
The comparison analysis shows that the average value (4.753) of the attitude toward advertisements indicating the existence of the product is significantly lower than the average value (5.163) of the attitude toward advertisements causing guilty pleasure ($p < 0.01$). Therefore, Hypothesis 3 was not supported.

**Conclusion**

**Summary and Outcomes**

Since the advertising market is currently saturated, sending effective advertising messages to viewers is often difficult. Consumers’ emotions can be exploited to achieve discrimination of advertisements and obtain a positive advertisement effect (Kishi, 2012; Tellis, 2004). Therefore, in this study, we focused on guilty pleasure (Lancellotti and Thomas, 2018), which paradoxically combines the feeling of guilt, which has the function of suppressing individual behavior, and the feeling of joy, which can promote the opposite behavior and is a key concept in advertising research.

Companies may be able to conduct more effective advertising campaigns by making use of the knowledge provided by this study. In particular, this study showed that the effectiveness of advertising messages may be increased by using advertisements that cause guilty pleasure when advertising products with the existing attributes.

In addition, this study indicates that, when advertising products of existing brands with new attributes, companies should use advertisements that cause guilty pleasure and advertisements that show product attributes (level) to achieve a positive advertisement effect.

Furthermore, when advertising a new product with a new attribute, companies may be able to obtain a positive advertisement effect by using advertisements that cause guilty pleasure.

**Limits of This Research and Future Issues**

Several challenges remain open for future research. In the present study, the attitude toward advertising may have been influenced by the (already formed) product attitude. Lee (1995) argued that such prior attitudes toward a brand may affect the evaluation and judgment of advertisements. In other words, when the audience forms attitudes toward advertisements, attitudes toward brands that are already perceived besides advertisement expression methods can also be significant determinants of advertisement attitudes.
In addition, in this study, we asked subjects to address the case of the cleaning robot as it was first released and treat it as though it was a new attribute and a new product. However, the fact that the product automatically cleans when the owner is absent may not have been handled as a new attribute. To make sure that subjects recognize the products targeted for advertisement as new attributes, new surveys using original products and advertisements should be carried out.

Despite these limitations, this study clarified the conditions under which advertisements that cause guilty pleasure work effectively, thus making a significant contribution to advertising research.

References
EXTENDED ABSTRACT

Research Question
How can depictions of movement be used in picture-based ads to generate narrative transportation and influence attitudes toward the ad?

Method and Data
Four studies were employed to explore the research question. Data sources were Amazon Mechanical Turk workers compensated for their participation and marketing students who received extra credit for their participation.

Study 1: An online survey analyzed via linear regression. N = 398.
Study 2: An experiment analyzed via ANOVA and PROCESS. N = 102.
Study 3: An experiment analyzed via ANOVA and PROCESS. N = 121.
Study 4: An experiment analyzed via ANOVA and PROCESS. N = 284.

Summary of Findings
In Study 1, we establish that consumers are able to detect differences in depicted movement across ads and show that movement in ads is positively related to narrative transportation and ad attitudes. In Study 2, we manipulate movement in two ads to confirm the findings from Study 1 and show that narrative transportation is the process through which depictions of movement in ads influences ad attitudes. Study 3 further examines the mechanism through which movement influences narrative transportation. Theory of mind, or attempting to understand the mental states of others, is shown to be the process through which movement influences narrative transportation and ad attitudes. Study 4 shows that movement is not the only tool available to advertisers that wish to generate theory of mind and narrative transportation. Study 4 manipulates participants’ perceptions of social distance with the characters in the ad. When social distance is high, theory of mind occurs regardless of the level of movement in the ad. When social distance is low, high movement is necessary to prompt theory of mind.

Key Contributions
This research contributes to the literature on narrative transportation in several ways. First, it is one of the first to show that picture-based ads can generate narrative transportation. It introduces depictions of movement as a tactic that advertisers can use to increase narrative transportation and positively influence attitudes toward the ad. It integrates two disparate streams: theory of mind and narrative transportation, and shows how depictions of movement in ads can be used...
to motivate theory of mind processing and generate narrative transportation. Finally, it shows that movement is not the only way that theory of mind can be generated; when the viewer perceives the characters in the ad to be high in social distance, theory of mind processing occurs even when depicted movement is low. This suggests that either depictions of movement or particularly novel characters could be used by advertisers to improve attitudes toward their ads. In addition, a brand entering another country may think that they should position their brand as fitting in with the culture of the new country; however, this research suggests that highlighting cultural differences may be more persuasive.

*References are available on request.*
B2*: Selling and Sales Management in Business and Consumer Markets

Sales Strategy for B2B Markets
Sales-Service Interfaces in B2B Value Cocreation
   Scott B. Friend, Avinash Malshe, Gregory J. Fisher
How Institutional Pressures and System Characteristics Shape Customer Acceptance of Smart Product-Service Systems
   Eva Kropp, Dirk Totzek
   Neda B. Marvasti, Juho-Petteri Huhtala, Zeinab R. Yousefi, Bikesh Upreti, Pekka Malo, Samuel Kaski, Henrikki Tikkanen
Prospect Evaluation: An Intuition-Based Approach in the Presence of Market Turbulence
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Sales Success with Social Media
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Differential Effects of CRM and Social Media on Buyer–Seller Information Exchanges: A Multigroup Analysis Comparing High Vs. Low Seller Experience
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Sandeep Puri, Rakesh Singh, Narendra Kumar, Babak Hayati

The Effects of Expert Knowledge Sharing on Salesperson Performance

Danny P. Claro, Giuliana Isabella
Sales-Service Interfaces in B2B Value Cocreation

Scott B. Friend, Miami University
Avinash Malshe, University of St. Thomas
Gregory J. Fisher, Miami University

Keywords: sales-service interplay, value cocreation, customer engagement, customer-supplier relationships, qualitative research

Description: Utilizing depth interviews conducted immediately after customer decisions to renew or defect from value cocreation relationships, the authors examine how the critical interplay between supplier sales and service personnel affect customer reengagement decisions.

EXTENDED ABSTRACT

Research Question
Value cocreation (VCC) is frequently described as a linear process and singular event (Grönroos and Voima, 2013; Payne et al., 2008; Powers, Sheng, and Li, 2016). However, VCC episodes often continue beyond an initial collaboration, so existing VCC experiences influence the customer’s decision-making process to renew or defect from an incumbent supplier relationship. The late stages of episodic VCC bring two functional units within the supplier organization to the forefront: salespeople (sales) and frontline service personnel (service). In theory, sales and service personnel should share knowledge about the customer throughout the VCC process to help formulate and implement the value proposition (Hartmann, Wieland, and Vargo, 2018; Jaakkola and Alexander, 2014; Singh, Brady, Arnold, and Brown, 2017), yet that interplay may not be apparent as reengagement efforts are conducted. With scant research attention on the critical drivers that shape business-to-business (B2B) VCC reengagement, yet important implications for the relational gains at risk, this study addresses the following research question: During the late stages of existing B2B VCC relationships, how do the supplier sales and service personnel’s interfirm interactions with the customer, along with the supplier’s intrafirm sales-service interplay, affect VCC reengagement?

Method and Data
In-depth semistructured interviews were conducted with over 100 customer decision-makers within customer organizations that had been working with a supplier in a long-term, collaborative relationship (i.e., incumbent suppliers). In each case, the supplier had a service team to interact with the customer on a day-to-day basis and a sales team that recently interacted with the customer. Data were collected proximately following the customer’s reengagement decision. The sampling approach captured a broad array of customer industries, diverse customer regions, mixed outcomes (renewals and defections), and varying contract values. All interviews were audio-recorded and transcribed verbatim.

Summary of Findings
Based on empirical evidence present in our data, we illustrate the manner by which customer VCC reengagement decisions are impacted by an intricate set of independent and interdependent activities carried out by the supplier’s sales and service personnel. Specifically, we suggest a process model by which VCC reengagement is influenced by the sales-service interplay. In particular, the sales-service interplay provides key cross-functional support to critical activities performed to drive VCC reengagement. Sales must deliver targeted RFPs in order to generate a favorable reengagement outcome. To support this effort, service provides sales with tactical insights that reflect current customer support and value realization. On the other side of this interplay, service personnel must integrate closely with customer stakeholders in order to generate positive knowledge stores. To help in this effort, sales provides service with strategic directives that provide context to service’s
day-to-day value delivery activities. This support eventually pays dividends back to sales, as activation of positive customer knowledge stores can accentuate their RFP efforts if they are targeted.

**Key Contributions**

Our examination of how the critical interplay between sales and service affects customer reengagement offers implications for extant VCC research, which predominately focuses on the initial stages of the customer-supplier exchange. Rather, our findings reveal key mechanisms by which sales and service affect VCC reengagement. Specifically, the first contribution of our paper is that our findings bring forth understudied nuances of how the activities performed by supplier sales and service personnel independently and inter-

dependently influence customer decisions to reengage their VCC relationships. Our second contribution is to highlight how the nature of the interdependence between sales and service changes during the episodic VCC process. Our third contribution to VCC literature is the explication of the critical and multifaceted role that knowledge plays within VCC framework: (a) interfirm knowledge flow (i.e., between customer stakeholder and the supplier’s sales and service personnel), (b) intrafirm knowledge sharing within the supplier organization (i.e., across the sales-service interplay), and (c) intrafirm knowledge sharing within the customer organization (i.e., via knowledge store activation within the customer).

*References are available on request.*
How Institutional Pressures and System Characteristics Shape Customer Acceptance of Smart Product-Service Systems

Eva Kropp, University of Passau
Dirk Totzek, University of Passau

Keywords: smart product-service systems, adoption of innovations, institutional theory, business-to-business marketing, internet of things

Description: Drawing on institutional theory this research examines what institutional pressures affect B2B customers’ acceptance of smart product-service systems and how managers of supplier firms can adapt system characteristics to increase customer adoption.

EXTENDED ABSTRACT

Research Question
The ongoing digitization is changing the industrial landscape and disrupting existing business models. The Internet of Things (IoT) allows physical products to collect, send, and receive data that can be used for service provision. Manufacturing firms can bundle new data-based services with existing products and offer IoT-induced product-service systems (PSS), which we call smart PSS. However, there is a discrepancy between high expectations in terms of revenue potential and the current state of business in many B2B industries. One major reason is that many B2B customers struggle to adopt smart PSS. Despite its high practical relevance, the IoT and its implications for servitization strategies of B2B firms are not yet fully understood. In particular, customer-centric and interdisciplinary approaches should leverage the potential of data for creating customer value. The goal of this study is to better understand the drivers of B2B customers’ acceptance of smart product-service systems. In particular, the institutional pressure can strongly influence a firms’ willingness to adopt innovations. In this respect, we address two questions: (1) What institutional pressures affect B2B customers’ acceptance of smart PSS? (2) How do system characteristics affect B2B customers’ acceptance of smart PSS?

Method and Data
We conducted a quantitative survey study among managers of B2B firms potentially using smart PSS. We selected firms from industries in which smart PSS should be generally relevant (e.g., machinery, construction, automotive, or agriculture). We collected e-mail addresses of about 2,500 managers and invited them to an online survey. To qualify for the survey, participants had to be involved in purchasing decisions in the past two years. Our final sample consists of 160 full responses. Most respondents were CEOs or general managers (43.1%), managers in production and logistics (10.0%), marketing and sales managers (10.0%), business development managers (9.4%), or chief digital officers (8.8%). To test the hypotheses on our main and moderating effects we used regression analysis.

Summary and Findings
Our findings indicate that the impact of the individual facets of institutional pressure (mimetic, coercive and normative pressures) on the customer firm’s adoption of smart PSS is complex. In addition, institutional pressures have a stronger influence on the adoption of smart PSS than traditional adoption factors. More specifically, we find a direct nonlinear effect of normative pressure on the customer’s adoption
The inverted U-shaped relationship between normative pressure and adoption intention shows that normative pressure can be advantageous for PSS providers to a certain extent. Additionally, our results show that the nonlinear positive effect of mimetic pressure on adoption intention is more relevant for output-oriented smart PSS.

**Key Contributions**

We show under which circumstances specific institutional pressures perceived by a B2B customer can be beneficial for suppliers in terms of higher adoption rates. This is important as the specific characteristics of smart PSS (e.g., connectivity) lead to greater customer uncertainty and strongly affect the relationship between at least two firms. In this respect, we expand existing adoption literature by focusing on organizational adoption and special features of smart PSS. We contribute to the literature at intersection of servitization and digitization. So far, researchers discuss the facilitating and enabling role of digitization and neglect specific potential customer barriers caused by digitization. From a managerial point of view, we show under which conditions B2B customers are more likely to adopt smart PSS. This enables suppliers to adapt their communication and sales activities accordingly. In addition to demonstrating the advantages of smart PSS, such as efficiency increases, it is essential to consider external influences. In terms of output-oriented smart PSS, managers can take advantage of customers’ perceived pressure and actively try to trigger pressure by clearly representing specific reference projects. Finally, it is crucial for managers to provide detailed information about the successful adoption by main competitors or industry leaders.

*References are available on request.*

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Keywords: B2B buyer journey, internet browsing, hidden semi Markov model, simulation

Description: This paper focuses on the simulation of a buying process and further estimation of its hidden stages in online B2B markets via a proposed statistical modeling technique.

EXTENDED ABSTRACT

In recent decades, business to business (B2B) buying has become more digital-centric and buyer-driven than before. When a potential B2B buyer makes the first-time contact to a B2B seller, more than half of its buying process is already carried out through online information search. Hence, identifying the buying stage of potential B2B buyers before their first contact can bring substantial benefits to B2B sellers given the complexity of the transaction and its associated value. In this paper, authors propose to use a statistical model to infer the hidden buying stages of the B2B buyers by only observing their online browsing behaviour on the seller’s webpages. The proposed method utilizes the Hidden semi Markov Model (HSMM) and its performance is compared with the Hidden Markov Model (HMM). Results show the effectiveness of HSMM in comparison to HMM in estimating the buying stages. In addition to that, this paper is the first attempt to simulate the B2B buying process via statistical models trying to capture the B2B buying journey.

Research Question
Development of digital information technologies (DIT) has made the buying process more buyer-driven, i.e. sellers have less control over the process. However, due to real time monitoring of buyer’s online browsing behaviour, there are numerous opportunities for sellers to develop techniques to systematically collect big datasets and further analyze them. The existing researches studying the B2B buying process are mostly either qualitative or conceptual in nature (e.g. Johnston and Lewin, 1996). Whereas, DIT may help B2B sellers to understand the characteristic of B2B buying process as well as identifying the buyer’s journey. This knowledge can be used to adjust the B2B sellers’ marketing effort on providing information which meet the demands of B2B buyers elongated with their buying journey, and therefore, improving the hit rate of marketing and sales activities (Kiang and Chi, 2001). However, the main challenge here is processing and utilizing the massive amount of B2B behavioural data (Kwon et al., 2014). In this study, we suggest to predict the latent buying stage of potential B2B buyers by using the Hidden Semi Markov Model (HSMM).

Method and Data
Rather than using a fine-grained conceptualization of B2B buying process (see e.g. Hutt and Speh, 2012), we began by...
assuming that during the B2B buying process, the buyers move from one stage to another over the course of time (Marvasti et al. 2019). These buying stages are labeled as 1) No-funnel, 2) Early-funnel, 3) Middle-funnel, and 4) Late-funnel (Toman et al., 2017) which are hidden for B2B sellers. The most accessible data to proxy these stages is the browsing behavior of potential B2B buyers. Based on this rather noisy browsing data, hidden buying stage can be inferred using Hidden semi Markov Models (HSMM). The seller’s web pages are categorized into one of the following eight categories: products, detailed-products, news, recruitment, references, support, investors, and contacts. Then the online browsing behaviour is processed as visit frequencies to each of these categories. To evaluate the performance of the proposed algorithm, we have generated artificial data by simulating the online behaviour of a company visiting a seller company’s websites. The simulator is designed based on the extant conceptual work in B2B marketing (Hutt and Speh, 2012; Toman et al., 2017) and our interviews with B2B marketing experts.

**Summary of Findings**

In our previous work (Marvasti et al. 2019), considering the customer’s online behavior as time series data, we proposed the application of HMM to predict the B2B buying stages based on the customers’ online behavior. Here we propose an improvement over that model by utilizing HSMM to be able to explicitly model the duration of each buying stage as well, which can be more appropriate for the B2B buying process due to the complexity of B2B buying, and specifically because B2B buyers are spending often more time in the buying process. In addition, simulation-based estimates of behavior in each stage gives us better grounds for understanding B2B buying and predicting on which stage each potential B2B buyer prospect currently are. Based on the results presented, both running time and estimation performance of HSMM is better than HMM, which shows the significance of modeling the sojourn time. Note that, after learning parameters of the model, the running time for buying process estimation is less than 5 seconds. Moreover, the estimated parameters can be utilized to estimate the future buying stages of the potential buyers based on their previous online behaviors.

**Key Contributions**

We have proposed the utilization of HSMM and compared its performance with HMM to uncover the underlying stages of B2B buying process by observing the online behavior of B2B buyers. Due to lack of knowledge of the actual buying stages’ value in the real dataset, we used the simulation studies to assess and compare the performance of different modeling approaches. A simulator is designed with the parameters that match with actual B2B buying process to mimic the behaviour of a buyer company visiting a seller webpage purchasing complex B2B products. Our proposed method provides valuable tool for practicing seller-side marketing and helps B2B sellers with means to gain more control over the buying process. Although this model is yet restricted in number of ways, it is already an improvement as reflected by the observed performance. Our plan for future work is 1) to add more observations from user behavior to the model to generate more realistic models, 2) to increase the accuracy of the system by modeling parallel buying processes. Also, we will apply our model on the real datasets, where we have ground truth to test and validate the performance of the estimated states.

References are available on request.
Prospect Evaluation: An Intuition-Based Approach in the Presence of Market Turbulence

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Justin R. Muñoz, University of Texas at El Paso

Keywords: prospecting, intuition, sales performance, and market turbulence

Description: Intuitively evaluating potential customers during prospecting activities can improve sales performance, especially under conditions of high market turbulence.

EXTENDED ABSTRACT

Research Question
This investigation addresses the following questions; can salespeople make effective, intuitive evaluations of prospective customers as to positively impact sales performance? In addition, do salespeople’s perceptions of market turbulence moderate the relationship between intuitive evaluations and sales performance?

Method and Data
A structural equation model was employed to conduct a multigroup moderation analysis using a sample of 155 salespeople in the United States. Previously published scales from the marketing literature were adopted to measure the constructs of interest. The common latent factor method was used to determine that common method variance was not a concern. Following the two-step approach, a congeneric measurement model was specified to assess the psychometric properties of the model using a confirmatory factor analysis before specifying the structural model. The data fit the model well and construct validity and reliability proved to be within acceptable ranges. The structural model was estimated using the maximum likelihood method. A median split was used to create two groups based on their level of market turbulence (high and low), before conducting a multigroup moderation analysis. Consequently, a chi-square difference test was used to compare a completely unconstrained model to a constrained model between the two groups and determine if the hypothesized paths exhibited a moderating effect.

Summary of Findings
Collectively, the results provide evidence that intuition can be used to effectively identify prospects based on perceptions of customer’s value and that market turbulence moderates the relationship between these intuitive evaluations and sales performance. Specifically, when salespeople perceived that the level of market turbulence is high in their selling environment, the relationship between perceived customer value and sales performance is enhanced. However, when salespeople perceive the level of market turbulence to be low, the relationship between perceived customer value and sales performance are attenuated.

Key Contributions
This investigation contributes to marketing literature in several ways. First, this study joins research from intuition and sales and adds to the current academic conversation by examining salespeople’s intuitive evaluation of prospective customers. Second, it provided evidence that intuition can be a vital resource for salespeople during prospecting activities, mainly because it can be used to evaluate potential customers based on their perceived value effectively. Third, this study demonstrates that intuitive evaluations of prospective customers can enhance sales performance, especially when salespeople perceive market turbulence to be salient in their environment.

References are available on request.

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Salespeople LinkedIn Effects on Opportunity Wins

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Keywords: sales management, sales performance, sales funnel, sales networks

Description: Our research addresses the challenge of activities performed by salespeople in a business social network (i.e., LinkedIn) and the impact on the outcomes of their sales opportunities.

EXTENDED ABSTRACT

Research Question
The use of social networks for business purposes (e.g., LinkedIn, Twitter) has grown significantly in the sales context. A recent LinkedIn report shows that 72% of salespeople using social media as part of the sales process exceed quota outperforming their peers 23% more often (Hisaka 2016). Such results make salespeople consider using social networks to improve sales performance. Additionally, previous sales research has documented several benefits of business social networks. The use of such networks allows for a growing focus on developing long-term relationships with customers, in substitution to the traditional transaction-oriented approach (Hunter and Perreault 2007). However, no previous research has ever documented the effects of key social network activities on winning opportunities. Surprisingly, salespeople have been slow to recognize the benefits of using business social networks, and firms are still in an early stage of adopting social media (Hisaka 2016; Siamagka et al. 2015). Therefore, we aim to study the effect of social network use on sales performance, taking into consideration activities performed by salespeople in a business social network (i.e., LinkedIn) and the impact on the evolution of their sales opportunities.

Method and Data
We collect data from all 163 salespeople of a regional business unit of a leading global IT firm in one business year. The firm, by confidentiality agreement, granted us access to two sources of information about the salesforce. First, we processed data from the CRM system on 1.444 sales opportunities added and closed within the one-year period by the salespeople. In addition to the main characteristics of each opportunity, this dataset was also used to calculate each salesperson performance variables. Second, we processed social network weekly activity report from each salesperson on LinkedIn. This data was used to calculate the variables that represented each salesperson’s engagement in using that business social network as a sales tool. We identified the salesperson responsible for the opportunity and matched that salesperson LinkedIn data. The hypotheses were tested using ordinary least square regression with cross sectional data at the opportunity level. We let the error correlate by salespeople as all of them have more than one opportunity in the data.

Summary of Findings
The size of opportunity win is the dependent variable in Model 1. We find that salespeople who frequently access the business social network (β = .098, p < .05), search for new contacts (β = .066, p < .05), and add more contacts (β = .083, p < .10) win larger opportunities, which support H1a, H2a, and H3a respectively. Salespeople with intense communication approach win opportunities with smaller sales size (β = – .070, p < .01), which is the contrary to our hypothesis (H4a). Salespeople might be using other means to communicate with network contacts, such as e-mail and telephone. In Model 2, we find that salespeople who frequently access the business network (β = .080, p < .05) and communicate with contacts (β = .029, p < .10) close opportunities faster, as hypothesized (H1b and H4b respectively). There is negative

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effect of adding contacts on opportunity closing time ($\beta = -0.116, p < .05$), which is contrary to our hypothesis H3b.

**Key Contributions**

We expect to contribute to the sales literature in several ways. First, decomposing the network activity performed by salespeople, we find enlightening implications for sales management. Additionally, we unveil positive effects of social network access, searching new contacts, and adding contacts to the network on winning larger opportunities. Salespeople benefit from managing relationships online that in turn help them close high value sales opportunities. This finding contributes to previous sales research (e.g., Agnihotri et al. 2012). Second, we find positive effects of social network access and communication approach on closing opportunities more quickly. Employing social networks in learning more about the customer and communicating with them speed up closing the opportunities. Our findings refine previous studies in the sales literature (e.g., Rodriguez, Peterson and Krishnan 2012). Third, existing sales research on business social networks has relied on survey data capturing salespeople self-reported behavior (e.g., Guesalaga 2016). We are the first study, to our knowledge, to gather data from a public business social network platform and match it with data from a firm CRM system.

*References are available on request.*
Differential Effects of CRM and Social Media on Buyer–Seller Information Exchanges: A Multigroup Analysis Comparing High Vs. Low Seller Experience

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Keywords: social media, CRM technology, information sharing, competitive intelligence, sales experience, B2B

Description: This study examines the effects of social media and CRM technology on information exchange between salespeople and buyers taking into consideration the role of salesperson experience.

EXTENDED ABSTRACT

Research Question
The extant literature builds reasonable consensus around the proposition that the CRM and social media are great enablers of a seller-buyer interface, however, how these established and new sales technologies are coming together to create customer value is still an unexplored. We theorize that salespersons’ exchange of information related to competition and products with buyers facilitates more information sharing by the buyers. This dual process of information sharing is associated with two key business marketing processes: market sensing and customer linking. We argue that higher levels of efficiency in buyer-seller information exchanges serves as necessary foundation for value cocreation with buyers. This allows both buyers and sellers to capture value from their exchanges.

Notably, we also examine the compensatory power of technology with respect to selling experience. Specifically, we suggest that highly experienced salespeople are more familiar with the selling process, customers, and products and possess deeper knowledge about the overall market dynamics. Salespeople with less experience compensate their experience deficiency by utilizing customer-oriented technologies to collect more information from buyers. Therefore, we argue that social media and CRM technology utilization serves as an important job resource that is better utilized by the salespeople with lesser experience.

Method and Data
Data was collected from industrial salespeople and buyers in collaboration with a reputable marketing research company. Sales organizations were approached for possible participation and were told about the academic purposes of this study. In addition to collecting data for salespeople, sales organizations were directed to provide a set of buyers serviced by each of the salespeople. One buyer from each set of buyers provided by the sales organization was approached for completing the questionnaire. The questionnaires of salespeople and buyers were assigned identifying codes to allow matching between the questionnaires. The final data set consisted of 162 salesperson-buyer dyads.

The measures utilized were adapted from prior studies. Partial least square path modeling technique was used to test the conceptual model. This method allows us to analyze complex models with small sample sizes as it is the case in our study. In addition, multigroup analysis was performed to compare between high and low experienced salespeople.

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Summary of Findings
Within the market-sensing approach, findings show a positive significant effect of social media utilization on seller’s competitive information collection but not on buyer’s information sharing intentions. Results didn’t support a significant association between competitive information collection and buyer’s information sharing intentions.

Moving into the customer-linking approach, CRM technology utilization is found to significantly increase product information communication and buyer’s information sharing intentions. The results support the customer-linking capabilities of CRM. Moreover, seller’s product information communication efforts is positively related to buyer’s information sharing intentions.

Results from the multigroup analysis show that the low experienced salespeople are the ones who use social media to collect competitive information. Furthermore, buyers are more likely to have information sharing intentions with low experienced salespeople who use social media. The results demonstrate a significant positive effect of CRM technology on product information communication for low experienced salespeople only. Suggesting that low experienced salespeople are more likely to assist themselves with CRM technology when sharing information with buyers.

Key Contributions
Social media and CRM technology play different roles in two key business marketing processes: market sensing and customer linking. These processes of salesperson-buyer information sharing are important for value cocreation between sales organizations and buyers. Our study demonstrates new insights on the efficacy of social media and CRM technology with respect to mining information from the seller-buyer exchanges. We show that seller’s social media utilization and CRM technology utilization follow different paths and mechanism to positively influence effective market information collection from buyers. In specific, social media enabled information activities enhance the information collection abilities of the seller with respect to competitive information. On the other side, seller’s use of CRM enabled information activities augments the efficacy of product information communication that heightens the information sharing intentions of the buyer. We further demonstrate that sales experience has significant explanatory power to suggest that social media and CRM usage are more effective for salespeople with lower experience when deployed in the context of enhancing buyer’s intention to share information.

Our study holds important implications for managerial practice. Our findings make a strong case for integration of social media and CRM that delivers a seamless experience to both, the seller and the buyer, as they build meaningful and productive information exchanges to cocreate value. Managers would benefit from the understanding of different types of influence social media utilization and CRM utilization builds into the sales process. They should consider deploying salespeople with lesser experience at the initial value assessment stage of the selling process.

References are available on request.
Is Social Media Making the Sales Call a Lost Art or a Lost Cause?

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Tim Butler, University of North Alabama

Keywords: selling, sales call, social media, technology, CRM

Description: This research paper will investigate the impact social media marketing technology has had on the use of personal sales calls in professional selling.

EXTENDED ABSTRACT

Research Question

R1: Are B2B salespeople today more likely to communicate with clients by traditional sales calls or through social media channels?

Method and Data

Initially, qualitative research involving interviews with B2B salespeople and purchasing agents will be conducted in person and over the phone regarding the use of traditional sales calls and social media channels as the initial and preferred means of communication. Individuals will be asked to elaborate on their positive and negative perceptions of these based on their personal experiences. From this research, a scale will be developed to measure the level of involvement by salespeople in social media. Among the topics to be included in the scale are how the initial contact with clients is made, how often sellers and buyers communicate with each other, what the preferred social media channels are used to conduct business and why those, how regularly they use social media to gather market information, etc.

This research study will also measure salesperson listening ability via the Active Empathic Listening (AEL) scale (Drollinger, Comer, and Warrington 2006). Investigating the increased impact of social media usage by salespeople, as compared with face-to-face engagement, on their ability to actively listen to and empathize with clients, is expected to result in a more robust and complete research study of social media’s impact on personal selling.

Summary of Findings

The research described above is scheduled to commence in the fall of 2019 with results and the subsequent paper completed by Spring 2020. As a result, there are no findings to summarize or share at this point. Any reporting of expected results would be speculative and, as such, inappropriate at this time.

Key Contributions

This paper responds to the increasing calls for research on the impact of social media in personal selling and sales management (Marshall, Moncrief, Rudd, and Lee, 2012; Guesalaga, 2016; Itani, Agnihotri, and Dingus, 2017; Nunan, Sibai, Schivinski, and Christodoulides, 2018). Specifically, it is the claim that a range of negative outcomes related to social media usage in Sales either exist or are on the foreseeable horizon that inspires this study (Marshall et. al., 2012). The authors believe that the looming demise of the sales call is one such manifesting example of a negative outcome due to accelerating social media use and dependence by B2B salespeople. As the number of millennials and digital natives entering the sales profession continues to increase, the once revered practice of making personal sales calls will becoming increasingly scarce. As no existing research on social media’s impact on the diminishing of traditional sales calls was found by the authors, this paper will provide both a needed and important theoretical contribution to Professional Sales literature, while simultaneously providing sales managers with new insights into the changing dynamic of personal selling in the twenty-first century.

References are available on request.

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Doing It My Way: The Mediating Role of Deviating from Company Sales Guidelines

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Keywords: sales performance, training, influence, role ambiguity, deviation

Description: This current research creates an empirical view of how different types of training lead to differences in sales performance and how this is affected by deviating from what the salespeople learned in training as well as different job traits such as role ambiguity, role conflict, and the influence that salespeople have over their customers.

EXTENDED ABSTRACT

Research Question
Does timing of salesforce training affect their understanding of the job and the likelihood they will deviate from company guidelines?

Method and Data

Sample
The data used to study the model was collected through a survey of salespeople in the United States that were in the B2B sector of sales. A variety of industries was included to extend the generalizability of the results of the study. Only salespeople were included in the study.

Interviews
In addition to the empirical study presented later in this article, we conducted a series of interviews with salespeople in various industries to better understand this construct of deviation. While talking to salespeople in both business-to-consumer and business-to-business sales, we found that 90% of these salespeople felt the need to deviate from what they learned from the company to better serve their customers and to push the final sale through to completion. In addition, these salespeople also reported that freedom within their role allowed them to be able to adapt their role to deviate from what they learned in training.

Structural Equation Modeling
The overall model has several relationships including overall main effects, mediating influences, as well as moderating influences. We analyzed the effects of the overall model using structural equation modeling in SPSS AMOS v25.

Summary of Findings
The results show that while episodic and continuous training have both been corroborated as viable training program design options, each is not an end-all solution that can be applied to the sales context. In other words, managers would have false hope that choosing episodic training will lead to higher sales performance. While still a great option in many other contexts, models show that neither training program alone will produce the results that we would want. Instead, a recommendation for future research includes studying how managers can use a hybrid of each of the training programs. This hybrid program would allow the salesperson to have the autonomy to personalize their sales tactics, mostly driven by the freedom that they feel they have in their roles through role ambiguity, while still allowing this same salesperson to know what kinds of customers they usually sell to and how to best serve their clientele.

These salespeople need to be able to typecast their clients from the start and finish with their own personalized selling
skills that they need to come up with when they feel a level of incompleteness about what is expected of them in their current role.

**Key Contributions**

While we know that sales performance has always been a very important topic because it is impactful for many functions of the business, we find a new relationship between how those sales employees learn and how this is applied to achieve sales and financial success. We find an alternate pathway from training to performance by placing both of these constructs into a marketing view that can have implications for many people in different industries.

This research was written in conjunction with different sales industries. From the interviews done with several salespeople to the sampling technique used, this research is meant to make a real-life impact on both private and public organizations that engage in business-to-business (B2B) sales. The novel results that we found in our study shows that salespeople need the knowledge they gain in training, but also, they need the autonomy to be able to tailor their message to their customers, especially in the “moment of truth” as the customer decides to make their purchase or to move onto the next seller that can more closely meet their needs.

*References are available on request.*
Selling to Experts and Novices: Adapting Rational Sales Influence Tactics to Customer Expertise Levels

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Keywords: sales influence tactics, argument structure theory, customer product expertise, adaptive selling

Description: This research examines how the usage of different sales influence tactics (information exchange vs. recommendation vs. rationality) impacts salesperson manifest influence and purchase behavior depending on product expertise levels of customers (i.e., experts vs. novices).

EXTENDED ABSTRACT

Research Question
This research strives to understand the interpersonal influence mechanism in the retail setting through argument structure theory. Specifically, we investigate how the adaption and use of different sales influence tactics (i.e., information exchange vs. recommendation vs. rationality) can impact salesperson manifest influence based on the product expertise level of the customer (i.e., expert vs. novice). Building on argument structure theory, we examine the level of argument structure completeness of each sales influence tactic and identify what is the best argument structure across product expertise levels.

Method and Data
We conducted four lab studies and one field study to support our hypotheses. Specifically, in Study 1 and Study 2 we examine the interaction between sales influence tactic type (information exchange vs. recommendation vs rationality) and customer product expertise level on salesperson manifest to examine the main interaction effect. In Study 3, we replicate the findings of Study 1 and 2 by manipulating customer product expertise levels rather than measuring expertise levels as in the previous studies. Study 4 shows support for the mediation of information diagnosticity for the interaction effect. Lastly, Study 5, an experiment in the field, shows the interaction effect holds in the real-world using product promotion emails with different sales influence tactics through purchase leading behavior (e.g., click rates).

Summary of Findings
The results from our experiments reveal support for our proposition. Specifically, rationality influence tactics which has the highest level of argument structure completeness, are most effective to novices, but as the level of expertise increases, in contrast to current thinking, using information exchange influence tactics with less complete argument structure is more effective. Accordingly, adequately adapting different sales influence tactics to customer product expertise levels can lead to higher salesperson manifest influence and more purchase leading behavior (e.g., click rates). Further, we find that information diagnosticity is the mediation of this interaction effect. In detail, information diagnosticity is higher when sales influence tactics are adequately matched to customers’ product expertise levels, ultimately leading to higher manifest influence.

Key Contributions
We attempt to extend theory by integrating argument structure theory and customer product expertise to understand the interpersonal influence mechanism. We introduce a novel boundary condition of product expertise demonstrating that a more complete argument structure may not always be more effective. Further, we advance argument structure theory by identifying a new instance when an argument might not be effective which is redundancy in addition to previous instances of credibility and irrelevancy. Lastly, this article provides managerial relevance to salespeople and managers by suggesting specific, actionable guidelines on when to use which type of sales influence tactic based on each customer’s expertise level.

References are available on request.

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“A Little Something of Everything”: Exploring the Unconventional Relationship Between Job Stressors and Frontline Employees’ Service Adaptive Behavior and Performance

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Prabhat K. Dwivedi, STEP-HBTI

Keywords: job demands, time management, competition, role conflict, adaptability

EXTENDED ABSTRACT

Research Question
Extending job-demand resource (JDR) theory, we explore whether competitive psychological climate and role-conflict have nonlinear relationships with salespeople’s behaviors. In addition, we also explore what role, if any, does time management skill play in moderating these job demands-adaptability relationship.

Method and Data
Survey responses were collected from salespeople working for a major financial firm in India. We utilized or adapted existing measures of the constructs in our conceptual model. We analyzed our hypotheses using structural equation modeling and hierarchical regression.

Summary of Findings
The results indicate that competitive psychological climate and role-conflict have linear and nonlinear relationship with salespeople’s service adaptability. Moreover, salesperson’s time management skills strengthens the positive linear and nonlinear effect of competitive psychological climate and weakens the negative linear and nonlinear effect of role-conflict.

Key Contributions
This study offers novel practice-based effects by extending the previous research call for extending job-demand resource theory. The nonlinear effects of job demands deepens our understanding of the complex nature of job demands that has been ignored in the past research.

References are available on request.

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A Meta-Analytic Examination of the Causes of Salesperson Turnover

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Keywords: turnover, turnover intention, metaanalysis, salesforce, sales personnel

Description: This study explores the causes of turnover among salesforce using a metaanalytical method.

EXTENDED ABSTRACT

Research Question
This study aims to address the following questions: (1) What are the predictors of salesforce turnover that have been studied to date and, (2) how these variables influence voluntary turnover on an aggregate level?

Method and Data
We performed metaanalysis using the random-effects model based on Hunter and Schmidt approach (2014). We first identified empirical articles that study voluntary salesforce turnover searching through leading business databases, ABI/INFORM, and Business Source Complete. We found 357 related studies, and after excluding nonempirical papers that do not report effect size, 87 papers remain for the final analysis.

Summary of Findings
Our results show that the influence of individual characteristics such as age, education, and gender on turnover is limited. Next, the relationships between performance and both actual turnover and turnover intention are negative. This finding is in contrast with conventional views which suggest that competent employees resign because they have more employment opportunities (Jackofsky 1984). Regarding moderation effects, our analysis finds that there is a significant difference between the long-term and short-term gap of turnover intention measurement as the short-term time lag is a stronger predictor of actual turnover. Further, results indicate that self-rated performance measure is a better predictor of actual turnover than an objective measure of performance.

Key Contributions
First, we respond to the previous studies call for a metaanalysis on salesforce turnover due to its different work setting. Salespeople work environment is not the same as other employees in that they are boundary spanners locating between customers and their firms, their physical absence from offices, and their different compensation mechanisms, to name but a few. Our study consolidates, clarifies, and draws a holistic picture of prior findings of salesforce turnover in the literature. Second, by providing metaanalytic results, the current study will not only answer the question of what has been found but also provide researchers with insight as to where future turnover research in the sales area should be headed. Third, the current study will provide new insights into the relationship between turnover intention and salespeople’s actual turnover by examining effects of time lag and performance as two key moderators of this relationship.

References are available on request.
Ethical Disciplinary Enforcement and Salesperson Performance

Joon-Hee Oh, California State University, East Bay

Keywords: sales force management, organizational control, ethical climate, salesperson performance

Description: On the contrary to the conventional idea that firms’ continuous commitment to the strengthened ethical environment may improve salesperson performance, this study argues that such practice may cause an unpredicted negative impact of ethical disciplinary enforcement on salesperson performance.

EXTENDED ABSTRACT

Research Questions
According to a recent national business ethics survey, a strong ethics culture may not be a necessary indication not only of employee’s compliance to ethics but of its positive effect on employee performance. We argue that a change in the organizations’ interactions with salespeople to enforce an ethical climate may cause an unpredicted negative impact of ethical disciplinary enforcement on salesperson job performance. This is because perceived organizational disciplinary enforcement such as climate regarding ethics, ethical environment, or codes of ethics within organizations may have a limited role in playing for salespeople especially when the organization puts too much attention to adherence to the principle of no-way out. We also argue that salespersons’ work attitude (affective organizational commitment) and work motivation (perceived control and self-efficacy) are vital to influencing ethical behavior and engendering proper job outcomes because they are mostly affected by the organizations’ interaction with salespersons. Thus, our study is concerned with identifying influencing factors that may alter the established relationship between organizations’ ethical environment and salespeople performance.

Method and Data Used
We used a sample of salespeople working in the various industries in the United States to ensure variation in ethical climate and employee responses. We gathered the sample using Amazon’s Mechanical Turk (MTurk). Through MTurk, the salespeople had access to a survey questionnaire. In total, 307 salespeople correctly responded to the survey. About 53 percent (173) of the respondents are in-store retail salespersons. Around 30 percent (89) of the respondents are in business-to-business sales. On average, they have been a salesperson for the last 5.3 years and received 5.4 hours of ethics training within the last 12 months. The median age of the respondents was 35 years, 169 (52%) were women, and 164 were married. A hierarchical multiple regression analysis was conducted to test hypotheses.

The ethical environment measure was used to measure CRE and was composed of 10 items rated on a 7-point scale from Valentine and Barnett (2002). Scale reliability is .91. The internalization of ethical code contained three items from Schwepker and Hartline (2005). Scale reliability is .80. Organizational commitment was measured with nine-item scales developed by Mowday, Steers, and Porter (1979). Scale reliability is .96. The self-efficacy measure contained three items adapted from a salesperson measure of self-efficacy (Sujan, Weitz, and Kumar 1994). Scale reliability is .91. Perceived control was measured with five items from Schulz et al. (1995). Scale reliability is .72. Finally, job performance was measured with the five-item scales developed by Pettit, Goris, and Vaught (1997). Scale reliability is .92.

Summary of Findings
First, the internalization of ethical codes moderated the positive relationship between climate regarding ethics and job performance. Second, climate regarding ethics was positively related to work attitude variable (organizational commitment), but internalization of ethical code does not have a significant influence on salespeople’s organizational commitment when it is considered with climate regarding ethics. More importantly, with work motivation variables (self-efficacy and perceived behavioral control) considered, the positive impact of climate regarding ethics and internalization of
ethical codes on salesperson job performance was either completed disappeared or significantly weakened. However, we didn’t find any significant changes with the work attitude variable.

So, is there such a thing as too much ethical training and too much ethical climate enculturation for sales organizations? Our findings provide support for the argument that the change in organizational practice to enforce climate regarding ethics of the organizations generated the unexpected negative effect of the fear of ethical disciplinary enforcement on salesperson job performance. These findings indicate that as a firm keeps focusing on its ethical climate in sales practices, salesperson job performance is negatively affected. Our findings also provide support for the claim that perceived organizational disciplinary enforcement, such as climate regarding ethics, plays a limited role for salespersons when the organization puts too much attention on adherence to disciplinary enforcement. Namely, severe and persistent control, coupled with salespersons’ perceived lack of support and/or an unbalanced expectation of commitment exchange causes a magnification effect of the salespersons’ processing and leads to lower behavioral and attitudinal output than expected with the given level of input. Therefore, it is very plausible for strong ethical controls to backfire, and instead of improving job performance, to conversely affect job performance negatively.

Key Contributions
The results of our study should provide useful insights for incorporating ethics into the strategic planning process. By understanding the factors that affect code internalization, as well as how ethical controls affect salespersons’ job responses, management can take steps to improve their firm’s climate regarding ethics, to improve salesperson performance, and to provide their firm with a competitive advantage. We acknowledge that research is needed to better understand how ethical training and enculturation should be undertaken in such a way to increase the ethicality of the sales force, while also improving job productivity. From a theoretical perspective, our findings should contribute to the understanding of ethical decision making by explaining how organizations’ climate regarding ethics and salespeople’s internationalization of ethical codes affect the job responses of sales employees. Finally, our findings contribute to research by advancing our knowledge of how the responses of sales employees may be enhanced, leading to greater customer satisfaction and improved organizational performance.

References are available on request.
Bias or No Bias? The Monadic and Dyadic Role of Gender in Salespersons’ Performance and Hiring

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Keywords: sales performance, salesperson hiring, gender diversity, gender bias, #MeToo

Description: Our study investigates the role of manager’s and the candidate’s gender and its effect on sales recruitment (sales performance evaluation and hiring).

EXTENDED ABSTRACT

Research Question
Businesses operate in a diverse marketplace today; they interact with customers and employees with diverse backgrounds. Gender diversity in organizations have positive effects on performance. In the Business-to-Business (B2B) domain, sales teams are among boundary spanners which can have a profound impact on the organization’s effective interactions, relationship management, and performance. As a way to compete in diverse B2B environments, companies in the past tended to allocate B2B sales representatives matching the background of the clientele (particularly regarding gender). Although salesforce diversity results in some positive outcomes, scholars have argued the importance of understanding its challenges as well. This research answers the following research questions: Does gender affect sales performance evaluation and hiring? Does the monadic gender characteristic (i.e. the candidate’s gender) and the dyadic gender compositions (i.e. the manager-candidate’s gender situations (e.g. a female manager and a male candidate)) influence the sales performance evaluation and hiring? Are there any bias within the monadic as well as dyadic manager-candidate gender situation when it comes to sales performance evaluation and hiring? Today, at a historic tipping point for gender roles and in the wake of #metoo, gender issues are demanding further investigation. In the big picture, this study contributes to such an exploration by clarifying certain gender-related dynamics.

Method and Data
We have constructed a dataset using the scoring data from a sales competition in a large public university in the USA. The sales competition included two events: sales role play competition where managers evaluated selling skills of students, and an elevator pitch, speed sell competition, where managers made decisions on likelihood of hiring. Based on the sales role play and speed sell evaluations, we built a dataset comprising manager-candidate matched-pairs. This has produced a dataset of matched-pair units with 698 student-judge observations for sales role play and 794 student-judge observations for speed selling over three years. Multiple regression analyses was used to test the models and underlying hypotheses.

Summary of Findings
Based on the social dominance theory (within the monadic examination) it would be expected that male candidates receive higher scores, than female candidates. Our results did not provide any support for this argument regarding the sales role play scores and provided marginal support for the speed sell scores. Competing theories informed our framework, when the gender of both the candidate and manager were included in the study (the dyadic examination). The first one—the Attraction-Selection-Attrition (ASA) model—is based on more traditional ideas with regard to gender biases, which highlights tendencies of individuals to
prefer and make judgments upon behavioral and demographic similarities (e.g. expecting that a manager would score a male candidate higher than a female candidate). We did not receive empirical support. The second mindset—the system justification theory—is primarily based on the systems of perception by which individuals attempt to rationalize and justify the existing systems of injustice and inequality. We have found partial support for this, especially when the male candidates are being evaluated in the speed selling evaluations; male students were scored higher by female judges than by male judges. We did not find such a dyadic bias in regard to the sales performance evaluations.

**Key Contributions**

We argue that biases that favor male candidates and perceptions, which enable gender inequality, still exist in certain conditions. However, they are not pervasive and in certain areas there is no bias. We wish to bring the reader’s attention to the way the competing theories appeared to play out in our study, especially when the gender of both the candidate and manager was included in the picture. Although we find evidence of dyadic gender biases (incorporating the gender of both the candidate and manager) on sales performance and hireability, the implicit bias of individuals favoring same-genders is not dominant. Instead, theories that explain unconscious attempts to correct and justify the existing biases are better able to describe the nature of bias in dyadic interactions. And, there is support for areas that gender-based bias does not exist. Three major take aways and recommendations for practitioners are (1) removing time pressure from hiring environment reduces gender bias in hiring; (2) using objective criteria and require hiring managers to elaborate on justifications for hiring and; (3) celebrating performance by women managers across the organization to reduce implicit bias in hiring and performance evaluation.

*References are available on request.*
Cultural Controls and Salesperson Engagement

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Keywords: informal controls, cultural controls, sales management, salesperson engagement

EXTENDED ABSTRACT

Organizational controls are actions taken by firm stakeholders to align individuals with organizational objectives (Malek, Sarin, and Jaworski 2018). Research on organizational control continues to be prominent (e.g., Cardinal, Kreutzer, and Miller 2017; Katsikeas, et al. 2018), particularly in the sales domain due to the expense associated with hiring and training salespeople who often work somewhat autonomously and under pressure to perform. Literature on sales management control systems (SMCS) has predominantly focused on formal, managerial forms of control (see Anderson and Oliver 1987). However, there is a whole other class of informal, employee-driven controls that have received far less attention both theoretically and empirically; despite this, informal controls are ubiquitous and powerful forms of organizational control (Jaworski 1988; Malek, Sarin, and Jaworski 2018). Limited research suggests that informal cultural controls, or the values, norms, and beliefs held by an organization, positively influence salespeople (e.g., Jaworski, Stathakopoulos, and Krishnan 1993). However, we have little understanding of how the use of cultural controls influences salesperson engagement (i.e., favorable attitudes and beliefs towards the firm; Kumar and Pansari 2016), which limits firm potential to align salespeople with organizational objectives.

Research Question

Popular press articles highlight the importance of properly managing cultural control within organizations. For example, in 2015, an exposé in The New York Times revealed a rather “bruising” culture at Amazon that has led to employee descent and high turnover. This case, among others, highlights the question of how organizations use cultural controls as both positive and negative reinforcement, and what effect this has on employees. Although literature on formal controls (i.e., behavioral and outcome-based controls) has addressed the issue of how managers both positively and negatively reinforce their expectations (see Challagalla and Shervani 1996), this has never been applied to informal forms of control, like cultural controls. The objective of this research is to unpack the cultural controls construct into three underlying dimensions that account for both their content (i.e., information) and use (i.e., rewards, and punishments), and empirically test their relationships with salesperson engagement (i.e., their effects on job satisfaction and loyalty through organizational commitment). In doing so, we apply an Organizational Identity theoretical perspective to cultural control in organizations. We seek to advance SMCS research on organizational control and provide sales organizations with guidance on the role of cultural controls in salesperson engagement.

Method and Data

Data were collected as a part of a larger study on informal controls. We first conducted interviews with a diverse sample of 28 business-to-business (B2B) salespeople, to develop cultural control measures not available in the literature and to refine our conceptual framework. Developed scales and surveys were extensively pretested with 21 people in sales (including some of the initial interviewees) and nine academic experts to ensure face validity and content validity. We then worked with Qualtrics Data Collection Services (QDCS) to distribute surveys to B2B salespeople working for a variety of large organizations in the United States. QDCS employs practices to minimize coverage bias, self-selection bias, nonresponse bias, and satisfying during data collection. The analysis presented here is
based on surveys collected from 163 B2B salespeople (56% male), who completed the survey online in 22 minutes on average. All questions utilized 5-point Likert-type scales. Organizational commitment, job satisfaction, and loyalty were measured using validated scales (see Comer, Machleit, and Lagace 1989, Kumar and Pansari 2016, Wombacher and Felfe 2017). We followed standard scale development procedures outlined by Churchill (1979) and Gerbing and Anderson (1988) to empirically validate the cultural control scales. All scales used in the model displayed good psychometric properties.

Summary of Findings
We used structural equation modeling (SEM) in Stata 13 to estimate our model and test our hypotheses. Organizational tenure was included as a control variable. Cultural information (β = .62, p < .01) and cultural rewards (β = .29, p < .01) were found to have a positive relationship with organizational commitment in support of H1 and H2. Cultural punishments had a positive linear (β = .98, p < .05), and negative quadratic (β = -.19, p < .01) relationship with organizational commitment in support of H3. Organizational commitment demonstrated a positive relationship with both job satisfaction (β = .48, p < .01) and loyalty to the organization (β = .50, p < .01), in support of H4 and H5. Results further indicate that the effects of cultural information on job satisfaction and loyalty are partially mediated by organizational commitment, whereas the effects of cultural rewards and cultural punishments appear fully mediated (results not shown due to space constraints). Overall, our model explains 42% of variance in organizational commitment, 51% of variance in job satisfaction, and 73% of variance in loyalty to the organization (χ² = 1.38, p = .24; RMSEA = .05, CFI = .99; TLI = .99; SRMR = .01).

Key Contributions
By applying an Organizational Identity theoretical perspective to cultural control in organizations, this research supports the view that salesperson engagement with the organization is driven by the degree to which a salesperson identifies with or internalizes organizational values, norms, and beliefs. Cultural information allows salespeople to recognize the value of an organizational identity, leading to greater commitment, which positively influences both job satisfaction and loyalty. The positive reinforcement of cultural information in the form of cultural rewards compels salespeople to internalize the values as their own. However, salespeople routinely subjected to cultural punishments do not identify with the values of the organization, become less committed, and consequently both job satisfaction and loyalty are reduced. We advance SMCS research by highlighting the importance of separating controls into three underlying dimensions to fully understand their effects. These initial findings open some interesting avenues for future research. Based on prior findings (e.g., Flaherty and Pappas 2012), it would be worthwhile to take a closer look at how individual factors (e.g., salesperson orientations) and other control measures (e.g., output controls) influence relationships between cultural controls and organizational commitment. A larger sample size would aid in testing more complex models with theoretically-driven boundary conditions.

References are available on request.
A Wisdom-Based Salesperson Development Model as an Alternative to the Current Sales Force Development Model

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Keywords: salesperson wisdom development model, wisdom-based salesperson development model, salespeople training, salespeople management, salespeople investment

Description: This study proposes a wisdom-based salesperson development model to adequately train salesforce, not only to increase company profits but ensure that salespeople are supported in the obtainment of work-life balance and overall wellbeing.

EXTENDED ABSTRACT

Research Question
Current employee training models for salespeople within the business sector are mostly “one size fits all,” which lack necessary individualization and focus on the acquisition and cultivation of hard skills rather than both hard and soft skills. Such salesperson trainings have proven ineffective at yielding higher profits for companies. Therefore, we propose a wisdom-based salesperson development model to adequately train the salesforce, not only to increase company profits but ensure that salespeople are supported in the obtainment of work-life balance and overall wellbeing. This study addresses how and to what extent wisdom understandings are associated with personal wellbeing measures and its implications to salesperson wisdom development model.

Method and Data
A total of 101 college-educated people, stratified by gender and age group, were recruited through quota sampling: 50 young adults aged 21 to 30 (M = 23, SD = 2.38); and 51 older adults over age 30 (M = 38, SD = 6.97) participated: 69% are white; 43% are married.

Participants were met for a single session lasting 58 minutes on average (SD=31.48) using a semi-structured interview (adapted from Bluck and Gluck, 2004). Participants described their most important personal memories, personal wisdom experiences, personally-known and historical exemplars of wisdom, and their definition of wisdom. Interviews were audiotaped and transcribed verbatim, followed by the self-report wellbeing measures, such as life satisfaction and subjective health.

The qualitative data analysis software MAXQDA 10 (Kuckartz, 2010) was used to code wisdom definitions reported by the participants. Social network analysis methodology and graph theory (Wasserman and Faust, 1994) were used to (1) visualize the relational structure of wisdom characteristics reported by the participants and (2) compare relational functions of wisdom characteristics between the extreme wisdom groups by investigating key wisdom characteristics that played central roles in people’s understandings of wisdom. More detailed relational information is provided in the Result section.

Summary of Findings
This study addressed how and to what extent wisdom understandings are associated with personal wellbeing measures and its implications to salesperson wisdom development model. The social network analysis showed a divergent understanding of wisdom among the top- and bottom-scored
Wisdom groups, and its strong positive and negative relationship with life satisfaction and subjective health measures, respectively. The results, thus, corroborate a synergistic effect of multidimensional wisdom development when cognitive, reflective, and affective wisdom characteristics are developed in synch with one another, timely corresponding to personal and professional needs of knowledge obtainment, self-examination, and/or positive social interactions and relations across longitudinal life-cycle stages.

With the pressure to continuously implement interventions and job training programs into salesforce despite weak impact as noted earlier, it is important that the organizations recognize and develop training content that help salespeople have sagacity, and in turn wisdom, to learn new skills from the programs, evaluate them, tailor them to their specific needs and wants, and implement them successfully into sales performance while securing self-enhancing values.

**Key Contribution**
Wisdom-based salesperson development model is in its inception which demands strenuous efforts to build its validity in business literature. Also, this perspective should require series of empirical investigations in practical settings for its practicality and effectiveness for salesforce and their employers, followed by developing customized training content and assessment tools to accentuate salespeople’s talent, wellbeing and contribution improvement.

However, the unique contribution of salesperson wisdom development model is paramount. Adopting a wisdom perspective can enable a contextual investigation of the development of wisdom and job satisfaction among salespeople; that is, it encompasses dynamic developmental needs of wisdom characteristics, such as knowledge obtainment, self-care and empowerment, and prosocial behaviors. This timely, balanced development of salespeople’s talent is expected to result in higher performance and productivity for the companies. It also may function as a procedural reference that salespeople can seek advice from as they develop their own careers over the life course: Having an opportunity to make sound choices, especially during the early years of professional career with the support of others may ensure a legacy of good mental health, adaptive skills, perspective-taking, learning from mistakes, prosocial attitudes and behaviors, and, thus, the development of wisdom for salespeople, firms and society at large.

The pursuit of contented and optimal living tends to function as our overall motivational device for wisdom development. Wisdom can help people to make better decisions, be resilient in times of hardship, and develop prosocial, empathic attitudes toward others. In this regard, we claim that salesperson wisdom development model can accentuate the potential return of training investments as of a complete package of proficiency in required job skills, prosocial abilities, and personal wellbeing: Individuals who develop wisdom, as a result, garner mastery over their life and are comforted with having purpose in life (Ardelt and Oh, 2016) which is a critical self-enhancing value for the salespeople.

References are available on request.
Improving Sales Force Listening and Comprehension: An Eight-Nation Empirical Comparison of Three Listening Strategies

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Keywords: listening, recall, international, multimethod, sales

Description: Two studies test the prediction that 3 perspective-shifting listening techniques result in greater recall of information using data collected from participants in 8 countries.

EXTENDED ABSTRACT

Research Question
The purpose of this paper is to explore and test the effectiveness of listening strategies that people use to improve their recall of information when they wish to listen carefully but find it difficult to do so.

Method and Data
Two studies test the prediction that perspective-shifting listening techniques result in greater recall. Study 1 explores listening strategies that students and professionals have found helpful in understanding and remembering information in conversations. An experiment in Study 2 demonstrates that young adults across eight nations using three strategies have greater recall of information shared by speakers than a control group. Qualtrics was used to administer the stimuli and measurements. The 972 participants were assigned randomly to one of four conditions (3 treatment and a control group) where they viewed a TED talk video and then were asked questions about its content.

Summary of Findings
All three of the perspective-shifting strategies resulted in recall scores that were significantly greater than the control group. The main effect of country was also significant, which requires further examination in future studies.

Key Contributions
Salespeople, counselors, executives, teachers, and students often need to listen carefully to others under difficult circumstances in order to understand both the information being communicated, and to gain insight and empathize with the person speaking. The results of these studies reveal that individuals may benefit from learning and practicing a set of listening strategies they can use when they need to listen well but conditions are difficult. If listeners’ comprehension, empathy, and recall can be significantly enhanced through one or more of these strategies, the technique(s) could be added to industry training materials and our university curricula.

References are available on request.

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The Indirect Effects of Management Support and Social Support on Sales Performance Through the Mediation of Value Congruence

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Keywords: sales, self-efficacy, potency, performance, congruence

EXTENDED ABSTRACT

In this research, we propose that the social support and management support influences value congruence, which in turn indirectly boosts sales performance. Our argument is that the salespeople who evaluate themselves as capable to successfully execute their sales activities, when working with team members whom perceive the same degree of effectiveness (team potency), experience a value congruence that favors them in executing the courses of action toward sales results (Ostroff, Shin and Kinicki, 2005).

Hypotheses

We propose that (1) when salespeople’s assessments of self-efficacy are congruent with group efficacy (team potency), the greater is the sales performance; (2) that social support has an indirect effect on sales performance through value congruence and (3) that management support directly drives the value congruence between individual and team’s efficacy and indirectly promotes sales performance.

Method and Data

Data Collecting. We conducted a survey with Brazilians frontline employees from the retail banking segment. The banks’ employees are organized by different branches distributed geographically in the cities of Maringá/PR (population 417,010 IBGE 2018) and Campo Mourão/PR (94,212 IBGE 2018). In each branch, the employees report to the same supervisor and their performance assessments systems consider individual and team performance goals. A professional interviewer personally presented the research goals and questionnaire, and then collected the answers face-to-face. The sample corresponds to 347 frontline employees from 10 different banks and 68 branches. Most of the frontline employees are men (55%), with an average age of 34 years old (SD = 10 years) and 9 years working in the company (SD = 8 years).

Summary of Findings

Hypothesis 1 suggests that the value congruence between salespeople’s assessment of self-efficacy and team potency has a positive effect on sales performance. The surface tests showed a significant and positive slope of the congruence line ($b_1 + b_2 = 1.367$, $p < .01$), supporting $H_1$. Next, the results of surface tests also demonstrated that the curvature of the value congruence effect is also significant ($b_3 + b_4 + b_5 = -.125$, $p < .05$). The surface tests also demonstrated a significant slope for the incongruence line ($b_1 - b_2 = 1.206$, $p < .05$). The incongruence line slope means a linear effect when there is a misalignment between team-potency and self-efficacy. So, when self-efficacy is higher than team potency, the higher salespeople’s performance. The incongruence curvature did not supported a curvilinear relationship ($b_3 - b_4 + b_5 = -.021$, $p = NS$).

Hypothesis 2 and Hypothesis 3 argue that management support and social support have indirect and positive effects on sales performance through the mediation effect of value congruence. Social Support ($\beta = .316$, $p < .01$) and Management Support ($\beta = .352$, $p < .01$) presented positive and significant total effects on salespeople’s perceived performance. However, in the regression model that we have controlled for the
effect of the block variable, the direct effects of social support ($\beta = .116, p<.06$) and management support ($\beta = .072, p = \text{NS}$) become nonsignificant, suggesting the mediating role of value congruence, suggesting that there is an indirect path.

The coefficients of indirect effects were significant and supported the mediating role of value congruence. The results showed that social support ($\beta = .20, p < .01, 95\% \text{ CI} = [.111; .319]$) and management support ($\beta = .28, p < .01, 95\% \text{ CI} = [.173; .417]$) indirectly influenced the salespeople’s perceived performance by the value congruence between salespeople’s assessments of self-efficacy and team potency.

**Key Contributions**

This research presents *two* key theoretical contributions. First, we contribute to value congruence (Cable and Edwards, 2004, 2009; Edwards, 2002) by evidencing that the levels of sales performance are higher when either both the assessments of self-efficacy and team potency are corresponding or either both the judgments of self-efficacy and collective efficacy are congruence. The theoretical logic behind the effects of value congruence is drawing on the alignment of values from the individual according to the group (Cable and Edwards, 2004, 2009; Edwards, 2002), as elaborated by Person-Environment Fit. This alignment corrects values regarding to expectations and provides a better environment for communication and interaction among employees.

Second, several studies have already demonstrated the mediating role of self-efficacy in relationships involving performance (Park and John, 2014, Menguc et al., 2017). Because self-efficacy, effective efficacy and team potency are regulatory mechanisms of behavior (Park and John, 2014), they naturally mediate the relationships between social and management support and the individuals outcomes. Our results extended the Social Cognitive Theory (Bandura, 1982, 1977) by revealing that the congruence between the levels of efficacy plays a mediation role between supportive practices and sales performance.

*References are available on request.*
Sink or Swim: An Examination of Two Approaches to Training Sales Employees

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Keywords: salespeople, training involvement, organizational identity, sales orientation, turnover

Description: The current research theorizes the conditions under which sales training for new employees enhances salesperson’s performance and reduces turnover. The authors explain how individual and organizational sales characteristics moderate the effectiveness of sales training.

EXTENDED ABSTRACT

Research Question
When and why does sales training for new employees enhance salesperson’s performance and reduce turnover?

Summary of Findings
Based on Organizational Identity Theory (Whetten 1985), Job-person Fit Theory (Bowen, Ledford, and Nathan 1991), the Relationship Marketing framework (Morgan and Hunt 1994), and Justice Theory (Ringberg et al. 2007), the current study proposes a conceptual model in which organizational identity, job-person fit, and the type of the transaction (transactional vs. relational) moderate the effectiveness of sales training for new salespeople. Organizations with organizational identity that is not well defined will engage in low training involvement practices rather than high training involvement practices. The relationship between well-defined organizational identity and high training involvement will be stronger for high job-person fit than low job-person fit. Differences in training involvement will lead to differences in the level of sales performance for new salespeople. The relationship between high training involvement and sales performance will be stronger for a relational sales orientation than for a transactional sales orientation. New salespeople with higher sales performance will have lower turnover.

Key Contributions
This manuscript intends to contribute to the sales training literature by examining how nurture vs. sink-or-swim recruiting affects salespersons’ performance. Nurture recruiting involves investing organizational resources in prescreening, screening, hiring, and training processes. The objective is to identify employees that fit the position and nurture them to become successful in their roles. This type of recruiting design can start with a large pool of candidates and end up with only a few hires. Low turnover is expected. Sink or swim recruiting, on the other hand, involves spending minimal resources in prescreening, hiring, and training processes. The objective is to let employees experience the job, learn “on-the-job” and decide for themselves if they are a good fit for the position. A large pool of candidates are hired. High turnover is a given. However, high performers are expected to stay.

References are available on request.
The Role of Sales Force Control Systems in Driving the Sales of New Products

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Keywords: salesforce control systems, sales performance, new product adoption, sales management

Description: Our study conceptualizes and tests a model to suggest that a salesperson’s new product adoption is driven by; (1) training for selling the new product, (2) supervisor support, (3) new product selling resources and, perceived sales management controls (i.e., behavior-based control, output-based control and knowledge-based control) moderate the relationship between new product adoption and new product performance.

EXTENDED ABSTRACT

Research Questions
1. What are the individual level drivers for salesperson’s new product adoption?

2. What are the boundary conditions for salesperson’s new product adoption and new product sales performance relationship?

Hypotheses:

H1. Supervisor support has a positive impact on salesperson’s new product adoption

H2. New product training has a positive impact on salesperson’s new product adoption

H3. New product selling resources have a positive impact on salesperson’s new product adoption

H4. Salesperson’s new product adoption has a positive impact on salesperson’s new product sales performance

H5: Knowledge-based control negatively moderates the impact of supervisor support on salesperson’s new product adoption

H6: Knowledge-based control positively moderates the impact of new product training on salesperson’s new product adoption

H7: Knowledge-based control positively moderates the impact of salesperson’s new product adoption on salesperson’s new product sales performance

H8. Output-based control positively moderates the impact of salesperson’s new product adoption on salesperson’s new product sales performance

H9: Behavior-based control positively moderates the impact of salesperson’s new product adoption on salesperson’s new product sales performance

Method and Data

Data: The sample for this study was drawn from frontline sales professionals of pharmaceutical and medical device companies working in China, India, Indonesia, Singapore, Philippines, Malaysia, Thailand, and United Arab Emirates.

Measures: All the scales used in this study were well-established measures in the literature.

Analysis: We applied two Ordinary Least Square (OLS) models to analyze the impact of Job Resources (i.e., supervisor support, new product training, selling resources) on Job Engagement (i.e., salesperson’s new product adoption), and the impact of salesperson’s new product adoption on Job Outcomes (i.e., salesperson’s new product sales performance).
salesperson’s new product sales performance). The moderation variables including the three types of Sales Control Systems were also incorporated in the regression models.

Summary of Findings
Preliminary analysis of data showed support for the positive impact of supervisor support (H1: $\gamma = .28, p < .05$), new product training (H2: $\gamma = .24, p < .05$), and the impact of selling resources (H3: $\gamma = .21, p < .05$) on salesperson’s new product adoption. We also found that salesperson’s new product adoption has a positive impact on the salesperson’s new product sales performance (H4: $\gamma = .38, p < .05$). With regards to the moderating variables, we found that knowledge-based control negatively moderates the impact of supervisor support on salesperson’s new product adoption (H5: $\gamma = -.30, p < .05$), but positively moderates the impact of new product training on salesperson’s new product adoption (H6: $\gamma = .26, p < .05$). However, we did not find support for H7 since knowledge-based control did not moderate the effect of salesperson’s new product adoption on salesperson’s new product sales performance (H7: $\gamma = .08, p > .05$). We also found that output-based control and behavior-based control positively moderate the effect of salesperson’s new product adoption on salesperson’s new product sales performance (H8: $\gamma = .36, p < .05$; H9: $\gamma = .31, p < .05$).

Key Contributions
Our preliminary findings show that job resources provided by the firm (i.e., supervisor support, new product training, and selling resources) will facilitate the adoption of new products by salespeople. However, the positive impact of supervisor support on a salesperson’s new product adoption will dilute if sales managers apply a knowledge-based sales control system. Knowledge-based controls may contribute to creating a knowledge-sharing culture among salespeople. We found that once salespeople adopt the new product, exercising a knowledge-based control will not enhance their actual new product sales performance. Thus, we conclude that knowledge-based control is more effective in the early stages of the new product launch when salespeople are being introduced to and trained about the new product. Our findings show that output-based control and behavior-based control are both effective tools in turning a salesperson’s new product adoption to salesperson’s new product sales performance. Thus, managers need to regularly monitor, evaluate, and direct both the behavior and performance of salespeople to make sure that they effectively and efficiently allocate their efforts in selling the new product and their success in selling the new product is properly incentivized.

References are available on request.
The Effects of Expert Knowledge Sharing on Salesperson Performance

Danny P. Claro, Insper School of Business
Giuliana Isabella, Insper School of Business

Keyword: sales management, sales performance, sales funnel, sales networks

Description: Our research investigates the mechanisms fostering successful best practice learning programs in sales teams.

EXTENDED ABSTRACT

Research Question
Customers are nowadays much more informed about the solution they need, the supplier they want, and the price worth paying for it, even before the salesperson shows up for a visit. Firms face this increasing challenge of preparing the sales force to foresee and exceed customer expectations. According to half of the interviewed 500 sales leaders in US firms, training areas “most in need of change” is sharing of best practices in sales methodology and customer approaches that in turn help salesperson overcome market pressure (Rosen 2017). Despite the apparent benefits of sales knowledge for the salespeople and firm as a whole, previous sales research has shown how hard it is to implement effective sharing programs in the sales force (Verbeke, Dietz, and Verwaal 2011). Our main objective is to test the causal effect of learning on performance in a series of controlled lab experiment.

Method and Data
As part of an ongoing project, we report two studies that investigate the mechanisms fostering successful best practice learning programs in sales teams. In our first study, we ran a laboratory experiment (n = 222) with face-to-face cooperation, which participants had to teach their peers to improve their performance. As a result, we observed that when an expert salesperson shares knowledge with their peers, there is a substantial significant increase in performance. In the second study, 128 salespeople ran a business simulation to make several decisions regarding sales. Experts were identified by participants and randomly assigned to cooperate with another participant.

Summary of Findings
In Study 1, we find that nonexpert learner salesperson cooperating with an expert salesperson achieve a significant increase in performance when compared to nonexpert learner cooperating with a nonexpert teacher ($\bar{x}_{\text{difference}} = 2.4, p < .01$). This result provides support to our hypothesis (H1). The results reveal that the nonexpert learner who cooperate with nonexpert learners had the lowest performance score, whereas the expert learner with expert teacher had the highest performance scores, as expected. In Study 2, the ANOVA test showed a significant difference among the conditions ($F(3,125) = 3.444, p < .01; \eta^2 = .08$). We find that nonexpert learner salesperson cooperating with an expert salesperson achieve a significant increase in performance when compared to nonexpert learner cooperating with a nonexpert teacher ($\bar{x}_{\text{difference}} = 8.9, p < .01$). As the results in Study 1, this result provides additional support to our hypothesis (H1). The results reveal that the nonexpert learner who cooperated with nonexpert learners had the lowest performance score, whereas the expert learner with expert teacher had the second highest performance scores, though difference with the highest is not significant ($\bar{x}_{\text{difference}} = 1.3, p = .74$).

Key Contributions
While sales best practices offer many benefits to sales team members, sharing is not costless as it can take away from time spent on prospecting, selling, and cultivating relationships with customers (Sabnis et al. 2013). Moreover, knowledge sharing may cost more than the loss of precious time. Salespeople may face psychological costs (i.e., role ambiguity and peer conflict) and careless learner salesperson (Kumar, Sunder and Leone 2014). Additionally, organizational culture and leadership can restrain the extent to which salespeople share best practices (Hattula et al. 2015). Our research contributes to existing sales literature on effective selling and knowledge sharing by explaining how managers
select the learners and teachers to effectively share sales best practices. We draw from the organizational learning literature to explain how and who in the sales force can boost sharing efforts. Given the challenge of setting up successful learning programs, managers have long pursued the proper selection of advisors and learners, which enables true transfer of embedded knowledge from top performers to underperforming salespeople (O’Dell and Grayson 1998).

References are available on request.
Consumer 360°: Understanding Consumers from Multiple Perspectives

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Where Do Consumption Collectives Come From? The Story of Shared Resource Bundles
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Understanding Consumer’s Decision Making Process: New Insights from Constraints Negotiation Theory

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Keywords: theory of planned behavior, constraints negotiation theory, cognitive dissonance, religiosity, theory of trying

Description: This paper highlights the importance of examining underlying psychological process in consumer’s decision making, in the context of Muslims traveling to non-Muslim countries.

EXTENDED ABSTRACT

Research Question
Critics of Theory of Planned Behavior (TPB) have raised concerns on the sufficiency of its framework in understanding decision making processes. The deterministic nature of TPB framework is argued to be too simplistic to realistically reflect decision making process as it fails to recognize the intermediary means needed to achieve the goal. Such limitation has led to calls for greater understanding of consumer behavior process.

By examining the underlying assumptions governing TPB, the proposed framework aims to improve existing decision making model by drawing upon a process-oriented model, known as constraints negotiation theory (CNT), to provide a more holistic approach towards decision making. Using tourism as a context, this study aims to understand the underlying psychological process of Muslim tourists when travelling to non-Muslim countries (NMCs). It is believed that Muslims’ decision making process involves a certain form of negotiation, as Muslims are still traveling despite perceiving religious constraints. As such, this paper aims to investigate the following questions:

1. What is the planning process through which negotiation over the perceived lack of control influence Muslims tourists’ travel intention to non-Muslim countries for leisure travel?
2. Do cognitive negotiation strategies and religiosity moderate the process?

Method and Data
A sequential mixed method approach was employed by first conducting 6 focus group discussions, followed by quantitative method. In both phases, the selection criteria adopts a purposive sampling approach. The purpose of conducting a qualitative approach is to first elicit salient perceived constraints factors that are pertinent to Muslims in their travel pursuit to NMCs, and to subsequently explore their negotiation strategies to overcome such perceived constraints. Emerging themes were then extracted, itemized and incorporated in the design of the questionnaire.

In the subsequent quantitative phase, a usable sample of 600 was collected and randomly split to conduct exploratory (n = 220) and confirmatory factor (n = 380) analyses. Using AMOS 20 with (n = 380), the proposed model meets discriminant, convergent validity and fit statistics requirements, thus achieving acceptable measurement model. Additionally, the fit indices meet the minimum benchmark for the assessment of overall good fit, thus suggesting that the structural model is a good representative of a well-fitted model.

Summary of Findings
A triangulation between qualitative and quantitative phases reveal consistent findings, that Muslim tourists are proactive in undertaking initiatives to overcome or negotiate through constraints. Contrary to the traditional TPB stance that a lack
of control over behavior is less likely to translate into unfavorable behavior outcomes, support for reciprocal relationship between perceived behavioral control (PBC) and behavioral negotiation offers an alternative lens by viewing individuals as active agents of constraints. In other words, perceiving constraints or lack of control triggered Muslims to undertake effort to overcome anticipated constraints (i.e. lack of control). Whilst religiosity did not moderate the decision making process model, cognitive negotiation did. This suggests that Muslims who are able to reconcile conflicts arising from the need to satisfy competing religious and travel needs NMC exude greater tendency to travel to NMC, compared to its counterpart. Hence, the integration of CNT in TPB thus broadens our understanding of embedding decision making processes in TPB.

Key Contributions
Overall, results of this study highlight a crucial aspect that is overlooked in traditional TPB conceptualization, that is, the decision making framework in incomplete without evaluating for underlying psychological process. Specifically, existing TPB framework is unable to account for complexities of travelling with constraints, by reflecting on the genuine struggles and contemplation experienced by Muslims’ tourists in their pursuit to maintain religious and travel needs. Nevertheless, with the integration of CNT, the revised framework provides a more holistic perspective of decision making process by not only identifying resources, but also demonstrating how Muslims tourists contemplate back and forth in managing and utilizing resources in order to regain control of travel behavior. This is exemplified by the reciprocal relationship between PBC and behavioral negotiation.

As tourism is largely based on perceptions, it is imperative to showcase a favourable image of the country. NMCs which are seriously targeting the individuals of faith should consider revamping their destination image by communicating a compelling message, that they understand their religious needs. Efforts aimed at cushioning the impact of religious constraints needs to be spearheaded by national tourism organization.

References are available on request.
Is Sense of Beauty a Must or a Plus? 
The Influence of Product Aesthetics Preference on Consumer Choice

Jesheng Huang, Chung Yuan Christian University

Keywords: product aesthetic preference, justification effect, preference reversal, dynamic conjoint analysis, buyer-choice simulator

EXTENDED ABSTRACT

Research Questions
1. Is the consumer’s product aesthetic preference predominated by himself/herself? Or derived from the decision of pair-choice process while purchasing product;

2. Does the way of derivation from the decision situation lead the related result of consumer’s product aesthetic preference? Or there will be different response of product aesthetic preference among consumers due to their difference of aesthetic sensibility even the way of derivation equal.

3. Which combinations of product aesthetics attribute do consumers want? Will this aesthetic attribute predominate consumer choice decision?

Method and Data
The current research is planning to test all the hypotheses through designed trade-off decision tasks and consist of two studies. The study 1 is to identify if the consumer’s sense of beauty in choice decision is must, or it is just plus. In study 1, some pairs of hypothetical products are designed by 3D simulation, which be divided into aesthetics-salient versus function-salient product attributes respectively. The respondents will be asked for which of the two proposed products they would feel more beautiful? And in the condition of given same price, the sequent question is which of the two proposed products they are willing to buy? The purpose of this study step is to examine which of both opposite attributes consumer will forfeit while making choice decision. That is, if the respondent recognize the proposed product A, for example, is more beautiful than product B, but while needing to do the purchase decision this respondent choose the product B, the more functional-salient product, which represents the preference reversal happens. It also reveals the product aesthetics is plus to this respondent although he/she has a sense of beauty to product A. therefore, we can examine the justification effects on product aesthetics as well.

In study 2, for aiming to examine what product aesthetic attributes would make consumer feel it is must when evaluating the sense of beauty, the current research would conduct a conjoint analysis. The basic purpose of conjoint analysis is to handle situations in which a decision maker has to deal with options that simultaneously vary across two or more attributes. It also can use various models to infer buyers’ part-worth for attribute levels, and enter the part-worth into buyer-choice simulators to predict how buyers will choose among products. This research would use a simulation via dynamic conjoint analysis to consider a sequence of choice tasks. Through the process of input different product aesthetic attribute’s levels and fixing certain product functional attribute levels, this approach can verify respondent’s optimal choice profile at any stage in the sequence. And then through sensitivity analysis by changes in the levels of product aesthetics attribute, it is expected that the finding may get interesting strategic implications to exploit the critical role of product aesthetics attribute in consumer choice.

Key Contributions
The preference of product aesthetics could be examined through consumer’s trade-off decision task, and be judged by the justification effect. And then, the dominant product aesthetic attributes could be examined by buyer-choice simulators in dynamic conjoint analysis. The results reveal that the consumer’s product aesthetic preference is not totally
predominated by himself/herself, instead, it should be exam-
ined from the trade-off choice decision task, which can ver-
ify consumer’s preference of product aesthetics is must or
plus. Moreover, among the product aesthetic attributes, we
can evaluate which one will dominate the consumer’s prod-
uct aesthetic preference mostly by using buyer-choice simu-
lator in dynamic conjoint analysis.

Summary of Findings
It is expected the findings will indicate that the trade-offs
design of product aesthetic-vs-functional attributes can
derive the asymmetry in preferences of relative loss aversion
between product aesthetic and functional attributes, which
will reveal significant heterogeneities among consumers
with different CVPA. That is, for consumers with high
CVPA, product aesthetics is ‘must’ through the trade-off
decision task; otherwise, product aesthetics is ‘plus’. There-
fore, the preference of product aesthetics could be examined
through consumer’s trade-off decision task and be judged by
the justification effect. Moreover, the dominant product aes-
thetic attributes could be examined by buyer-choice simula-
tors in dynamic conjoint analysis.

References are available on request.

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Heng Xu, American University

Keywords: choice overload, machine learning, meta-analysis, data analytics

Description: We develop a machine learning based meta-analysis that demonstrates the wide discrepancy of results observed in the existing studies for choice overload can be explained by a small between-study variation of the inflection point in an inverted-U-shaped choice-satisfaction function.

EXTENDED ABSTRACT

Research Question
In this paper, we identify an important gap in the existing studies of choice overload: the inherent incompatibility between (the common belief of) an inverted-U-shaped choice-satisfaction function and (the universal adoption of) two-group experimental design with only two assortment sizes (one small and one large). We demonstrate that this inherent incompatibility not only explains the wide discrepancies observed in existing studies but provides a new lens into the dynamics of choice overload and the effects of the previously hypothesized moderators. Specifically, we develop a meta-analysis that aims to address two main research questions: (1) whether it is possible for the wide discrepancy of results observed in the existing studies for choice overload to be explained by a small between-study variation of the inflection point in the inverted U shape, and (2) if so, what is the distribution of the inflection point as inferred from the existing observations, and how the inflection point is influenced by the moderating variables hypothesized in the literature.

Method and Data
In order to estimate the inflection points for individual observations, we developed a novel machine-learning based meta-analytic technique called the dual-space gradient descent algorithm and applied the algorithm in a meta-analysis of the same 99 observations analyzed in two latest meta-analyses of choice overload.

Summary of Findings
Our meta-analysis offers a simple explanation for the wide discrepancy of existing observations for choice overload. Instead of hypothesizing a complex relationship between the moderating variables and the presence or absence of the choice overload effect, our findings show that these moderators simply cause a small variation of the inflection point (in the inverted U shape), which in turn leads to an amplified change of the observed effect sizes because of the two-group (i.e., small and large assortment sizes) experimental design prevalent in existing studies. In other words, the wide discrepancy of existing results is better attributed to how the two-group experimental design amplifies the variation of an inverted U-shaped effect, rather than to the inherent complexity or uncertainty of choice overload itself.

Key Contributions
To practitioners, this work represents an initial step toward answering the question of how much choice is considered too much. A proper understanding on the range of inflection points will provide marketers with actionable guidance in practice. To marketing researchers, this work suggests that future research on choice overload needs to vary the assortment size at multiple levels. More broadly, it demonstrates how a U or inverted-U shaped effect is inherently incompatible with a two-group experimental design (e.g., the comparison between one small and one large assortment size) because the latter would amplify a small variation of the effect to a large change of the observed between-group difference.

References are available on request.
Reaching Beyond the Stars: The Effect of Emotionality in Online Word-of-Mouth Across Cultures

Tiffany Y. Wendler, Technical University Dortmund

Keywords: word-of-mouth, emotion, helpfulness, consumer reviews, cross-culture

Description: Studying the effects of emotionality in consumer reviews across various cultures, we show that there are differences in the sending of online word-of-mouth, but not in the reception.

EXTENDED ABSTRACT

Research Question
We study two closely related research questions regarding the effect of culture on emotional content in electronic word-of-mouth (eWOM). While eWOM is a topic of ever-increasing importance for marketers around the globe, existing studies are almost exclusively based on U.S. data. This combination of practical relevance and limited research opens the door to two research questions:

1. Are there differences across cultures regarding the use of emotions in eWOM?
2. Do receivers’ reactions to emotionality in eWOM differ across cultures?

Method and Data
To study both our research questions, we combine the analysis of field data with an experiment. Our first study relies on a unique sample of more than 8,000 restaurant reviews obtained from seven local versions of the consumer review platform Yelp.com. We use the LIWC software to extract information on emotional content and employ regression models for statistical analysis. As measures of national culture, we use the recent versions of Hofstede’s scores. Our second study is based on experimental data from a sample of 445 consumers from the U.S., Singapore, and the Philippines. A scenario approach with a between-subjects design is used to obtain information on the effect of emotional content in reviews, and statistical analysis is performed using a mediation model.

Summary of Findings
Overall, our study shows that the effect of culture differs between the cognitive processes related to eWOM. While cultural differences influence the rather reflexive process of sending, i.e., writing, a review, the effect on the more deliberative receiving, i.e., reading and evaluating, of a review is muted. More specifically, findings from our field study show that consumers from more individualist, less long-term-oriented, and less masculine cultures tend to write reviews with more emotional content. On the contrary, results from our experiment demonstrate that the effect of emotional content on a review’s perception does not differ across cultures. Independent of cultural predispositions, consumers make inferences on the reviewer’s level of effort, such that higher emotional content is seen as an indication of increased effort. In turn, reviews with higher emotional content are perceived as more helpful. For managers, this suggests that they should employ an aggregated format with reviews from all countries, such that consumers everywhere have access to more emotional reviews, which also should be featured more prominently. Moreover, marketers can entice consumers to use more emotional language using example reviews, concrete guidelines, and preformulated review segments.

Key Contributions
The paper makes three primary contributions to research. First, it extends the growing body of research on the content and effectiveness of eWOM by newly introducing a cross-cultural perspective. Second, it contributes to cross-cultural
literature by providing novel insights into when culture matters, distinguishing reflexive and deliberative cognitive processes based on prior research by Briley and Aaker (2006). Third, our findings suggest that eWOM should generally be examined more holistically, as the sending and receiving and receiving of reviews are two distinct activities with different properties. Overall, the study helps both researchers and practitioners better understand the influence of culture on the cognitive processes related to eWOM and makes clear recommendations on how to act on our findings.

References are available on request.
Consumers’ Correction for Mood Bias in Product Judgment

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Keywords: mood effect, bias correction, hedonic product, utilitarian product

EXTENDED ABSTRACT

Research Questions
1. The current research attempts to examine whether the consumers would self-activate correction processes to remove the perceived mood bias from their product judgments in a direction opposite to their perceived biasing direction. Specifically speaking, when consumers are made aware of a potential for mood bias (by ad taglines), we expected that they would be more likely to make corrections in a negative (or positive) direction, leading to less (or more) favorable product judgments, if they perceive their mood as a positive (or negative) state.

2. We also want to examine whether, under conditions encouraging corrections for mood-related biases, consumers would be more likely to correct for the perceived mood-related bias when they make relatively nonhedonic (e.g., utilitarian) target evaluations. In comparison, we expected that consumers would be less likely to correct for the mood-related bias when they make hedonic target evaluations.

Method and Data
research method: experiment design
data analysis: ANOVA

Key Contributions
The current research may offer several contributions. First, it is the first research to examine differences in corrections for mood-based biases between relatively hedonic and nonhedonic (utilitarian) judgments. Second, whereas much of the research examining bias correction has used some kind of external (experimenter) instruction to attempt to be unbiased, the current research is the first to use elements of the ad itself to make the potential for bias salient. Third, it provides important managerial implications to marketers. Manipulating consumers’ emotions to improve product image is not a rare strategy in promoting favorable attitudes toward products in marketing settings. For example, creating a comfortable shopping environment or playing pleasant music to induce positive mood while consumers are browsing products is a common maneuver for companies. However, consumers can become attuned to these manipulations and could be motivated to correct for these external influences in order to reach accurate assessments of the encountered products. If so, the current research suggests that attempts to avoid such influences would shift evaluations to be less favorable, especially when considering utilitarian products or utilitarian features of products. The current research also suggests that the company should be less concerned about such corrections if dealing with hedonic products or features of products.

Yet, positive mood-based biases are not the only possibility. Ads might often be placed in popular yet saddening contexts. In such settings, it should often be desirable for consumers to correct for perceived negative biases due to affective reactions to the context. When placing ads in contexts that can be anticipated to be relatively depressing, marketers might strategically include bias-reminding taglines in ads. If the taglines were to induce corrections for the negative bias from sad mood, then perceptions of the products might be just as favorable or even more favorable than if the ads had been encountered under default (neutral mood) contexts.

Summary of Findings
The current research consists of two experiments to test our proposed hypotheses. Both experiments used the tagline embedded within the target ad to remind participants of the
potential mood bias. However, these two experiments employed different manipulations for hedonic versus utilitarian focus. Experiment 1 used different products (hedonic versus utilitarian products) as the targets, while Experiment 2 used the same target product but the target was evaluated in terms of either utilitarian or hedonic performance.

Both experiments confirmed our hypotheses by illustrating that, under good mood conditions, the target attitude toward the hedonic product or focusing on the hedonic performance did not significantly change before participants received the tagline (i.e., activated corrections) and after they received the tagline. In contrast, the target attitude toward the utilitarian product or focusing on the utilitarian performance was worse after participants received the tagline than before receiving the tagline. In a word, if participants were made aware of the potential mood bias by ad taglines, they corrected their judgments in a direction opposite to the perceived biasing direction and such corrections only took place for utilitarian-based judgments.

References are available on request.
Ritual Affects Construal Level: The Roles of Emotion and Involvement

Chongye Huang, Beijing Jiaotong University
Rong Chen, Tsinghua University

Keywords: ritual, construal level, emotion, involvement, cognition

EXTENDED ABSTRACT

Research Question
There has been abundant research focusing on psychological mechanism of how ritual affect consumers' behavior (e.g., performing rituals can affect consumers' emotion and cognitive process). But will and how rituals activate the level of construal on the associated events or consumption? Our claim is that when the ritual can affect individuals’ construal level through arousing positive emotion and evoking high-degree personal involvement. Under some circumstances, e.g., remembering a text, taking a math exam, or playing chess, high level of personal involvement would evoke quite large amount of cognitive resource, which restrains arousal of positive emotion and even turns emotion negatively. On the contrary, when involvement causes little cognitive burden, e.g., drinking a glass of lemonade, eating a chocolate bar, or praying before meals, rituals can lead to higher construal level by evoking positive emotion.

Method and Data
Our theory was tested through three lab experiments. Our findings overall show that the effect of rituals on construal level is contingent on emotion and personal involvement. Specifically, Study 1 showed that watching films in cinema can lead participants more likely to focus on abstract information (e.g., implied meaning of films). Study 2 tested the basic questions of whether rituals affect construal level: we measured preference to detailed-oriented event university after people performing a ritual versus no ritual. Study 3 further explored the psychological mechanism of how ritual affect construal level: we used two moderators, ritual performing level (observing vs. enacting rituals) and performing type (experience-type and task-type rituals), to manipulate the cognitive input, personal involvement and emotion evoked by rituals.

Summary of Findings
In this paper, we found that the rituals can significantly affect construal level. When performing rituals under circumstances where need strong cognitive input, high-degree personal involvement evoked by rituals would deplete more cognitive resource and thus restrains arousal of positive emotion, which trigger low-level construal. However, when personal involvement cannot effectively restrain positive emotion, people are more likely to construe information at abstract level.

Key Contributions
This research makes several important contributions. First, Extant research explored many psychological mechanisms of rituals’ effect on consumption. For instance, Vohs et al (2015) verified that ritual when consuming can improve positive emotion, then enhance the consumption; Norton and Gino (2014) found that rituals in the process of consumption can enhance individuals’ sense of control and thus increase the level of endowment effect on products. However, we are the first one trying to test the effect of ritual on construal level. Importantly, our research not only documented whether rituals affect individuals’ construal level but also the specific process and mechanism of this theory. Studies have found two mediators that can induce different levels of construal and provide a new perspective that ritual may affect consumption and subsequent acts such as evaluating commodity or consuming experience, through changing individuals’ construal level. Second, previous research found that high-degree personal level evoked by rituals could arouse high-level emotion (Atkinson et al., 2011). We provide a new perspective to understand this proposition that under cases where people don’t need input lots of cognitive resource, personal involvement cannot effectively restrain arousal of positive emotion (This work was supported by the National Natural Science Foundation of China (Grant No. 71772104) and Tsinghua University Initiative Scientific Research Program (20151080390).

References are available on request.

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Emotional Reasoning and Consumer Choice

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Keywords: consumer behavior, consumer decision-making, emotional processing, health and wellness

Description: The authors introduce a new category of emotional processing—emotional reasoning—that incorporates theories of emotional appraisals and perceptual-motor processing of emotions.

EXTENDED ABSTRACT

The authors introduce a novel type of emotional processing called emotional reasoning—the conscious contemplation of emotions—to examine how the quality of decisions can be enhanced beyond previous emotions research. Emotional reasoning moves beyond sensory motor associations (felt discrete emotions) and schematic emotional processing (trust-in-feelings) to examine the conditions under which consumers engage in internal accountability and focused coping processes (emotional reasoning) and whether this leads to higher quality consumer decisions. We posit and demonstrate that a more deliberative form of emotional processing allows consumers to make assessments of accountability and employ coping strategies that can significantly improve decision quality. Across five studies using a variety of domains and multiple measures and manipulations, choice quality was significantly enhanced when individuals consciously considered their emotions, beyond existing categories of emotional processing. Together, these findings provide several theoretical and consumer implications for the study of social cognition and information processing.

Research Question

Emotions are critical to decision-making (Cohen, Pham, and Andrade 2008; Epstein 1994; Pham 1998), and research indicates that emotional information is processed in various ways (Greifeneder, Bless, and Pham 2011; Schwarz and Clore 2007). Studies have focused on how emotions elicit awareness of a person’s feelings in a situation (Gohm and Clore 2000; Schwarz and Clore 1988), how consumers cope with emotion-laden tradeoff difficulty (Luce 1998; Luce, Payne, and Bettman 1999), how emotions are processed to predict future events (Pham, Lee, and Stephen 2012), and how emotions arise from cognitive effort (Garbarino and Edell 1997). Yet there remains a lack of understanding of how to categorize types of emotional processing, how these types can vary along the holistic-analytic continuum, and which types lead to higher-quality decisions. Are discrete and past emotions processed the same way? Might greater deliberation about emotions enable consumers to make higher-quality choices?

This research offers an analysis of emotional processing, incorporating theories of emotional appraisals (Smith and Lazarus 1993) and perceptual-motor processing (Leventhal 1979; 1984). We suggest that consumers’ emotional processing shifts along a three-tier hierarchy from automatic expressive-motor to schema-based to emotional reasoning, a more deliberative processing that includes assessments of accountability and coping strategies.

Method and Data

Studies 1 and 2 support the existence and benefits of ER by measuring the elaboration of emotional thoughts during decision-making. In study 1, participants completed a food-
choice task; the ratio of healthy items selected to total foods selected served to measure decision quality. Participants then listed any thoughts they had when selecting their foods. For each participant, the total number of each type of thought was computed. The number of emotional thoughts served to measure emotional reasoning. Study 2 is similar; however, we manipulate participants’ emotional reasoning prior to the food-choice task, and we compare the effects of emotional reasoning, expressive-motor, and schematic processing.

Studies 3 and 4 directly manipulate emotional reasoning in a goal incongruent condition and to measure its effects on decision quality. Study 3 compares emotional reasoning’s benefits to decision quality with those of trust-in-feelings and a control condition. Study 4 builds upon these findings to measure the theorized underlying mechanisms of emotional reasoning—self-accountability, emotion-focused coping, and problem-focused coping—in addition to the theorized boundary condition of goal incongruence.

Study 5 employs a field experiment to assess whether a subtle emotional reasoning prompt, could stimulate higher quality decision making, particularly under conditions of goal incongruence.

**Summary of Findings**

Through five studies, we provide evidence for the construct of emotional reasoning and established the necessary conditions for its associated influence. We also determine the processes through which ER’s benefits are derived in such contexts, namely through the individual’s consideration of (1) his/her self-accountability for bringing about the circumstances and (2) how he/she might cope, emotionally and through problem-solving strategies, to reduce perceived goal incongruence—a general feeling that the situation will not work out in one’s own best interest. Past research shows that individuals generally operate on a kind of auto-pilot, reserving their limited working memory only for necessary tasks (Kahneman 2011; Kahneman and Frederick 2002). Therefore, people are more likely to use their conscious cognitive resources to assess emotional information under goal incongruent conditions. Secondly, the mechanisms by which ER’s benefits are achieved provide individuals with information about the decision at-hand. If people feel accountable for a situation, then they likely feel that they can control the outcome in some way, through adjusting their goals via emotion-focused coping and through actively seeking to change the anticipated outcome of the event so that it is more likely to benefit them via problem-focused coping.

**Key Contributions**

We extend the current dual-processing understanding of cognitive and affective processing to a three-tiered model, whereby the benefits of both system 1 and system 2 processing are derived from their combination at the highest emotional reasoning level. Such a conceptualization could also allow for more nuanced study of the processes at each of the three tiers. This work is of practical importance for consumers seeking to make better decisions. We show that in situations of goal incongruence, it is best to ask oneself questions of internal accountability and coping potential in order to arrive at the ideal outcome. However, our findings also suggest that in neutral or goal congruent situations, such deliberate contemplation is unnecessary. Finally, our findings are useful to marketers and anyone interested in improving consumer decision quality. The ER manipulation in study 5 suggests that, by making consumers more aware of their present and future emotions at the point of decision-making, even those who are generally less likely to purchase healthier products—as maintaining a healthy lifestyle is not among their most salient goals—might be persuaded to purchase such products.

References are available on request.
The Effect of Customer Feedback on Sales Performance in Online Market

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Keywords: online marketplace, customer feedback, product review, sales ranking

EXTENDED ABSTRACT

The purchasing decision-making process is a process of reducing uncertainty (Mudambi and Schuff, 2010). The information provided a product description by the seller and the product review by the buyer can reduce the uncertainty of the purchase decision, which can have a positive effect on the purchase of the product. The more persuasive the information is provided, the decision maker is more confident (Tversky, and Kahneman, 1974). Providing a lot of information increases buyer persuasiveness (Schwenk, 1986). The information provided by the seller is relatively unreliable as it is likely to omit negative information that may affect sales volume or exaggerate positive information compared to the product review written by the buyer (Chatterjee, 2001). Because the buyer creates a product review so that others can make purchasing decisions, the increase in information delivered to the product review can be correlated with the consumer’s purchasing decisions. As the number of product review increases, the likelihood of reliable information increases, which will have a positive impact on sales. The existence of a product review is simply a sign of a willingness to influence others’ purchase of the product rather than a lot of the previous purchasing. Regardless of whether the purchase is positive or negative, the more product reviews exist, there will be more positive the sales.

The reason to write a product review in an online market is to influence others, such as helping others. The self-assertion expressed in the product review is intended to contribute to the decision making of the purchase because it helps to form a diagnosis of the other consumer (Skowronski and Carlson, 1989). Extreme or negative opinions are more likely to be diagnosed because they are better distinguished than normal or positive behaviors (Skowronski, and Carlson, 1989). Mudambi and Schuff (2010) showed in the last study that the product reviews of extreme opinions are highly diagnostic and useful to consumers. Extreme product reviews will have a positive impact on sales because helpful reviews have a positive impact on sales performance (Benlian, Titah, and Hess, 2012).

The number of characters in product reviews is known to affect the usefulness of product reviews (Mudambi and Schuff, 2010, Schindler, and Bickart, 2012). People share emotions and experiences with others in their lives. They share emotions to help others. Negative situations, feelings, and information have higher weights than positive ones called negative (Baumeister, Bratslavsky, Finkenauer, and Vohs, 2001, Rozin, Royzman 2001, Lee, Rodgers, Kim, 2009). Buyers share more negative experiences or information more actively (Zeelenberg, and Pieters, 2004). People who want to convey negative experiences or information will write long product reviews with higher-weight. As a result, relatively long product reviews are more likely to contain negative information, which will have a negative impact on sales performance.

Method and Data
This study conducted an empirical analysis using multiple regression methodology. The analysis uses product review data on Amazon.com, an online marketplace. To validate the empirical analysis, we analyzed product data and product review data collected over the last 19 years on Amazon.com (He, and McAuley, 2016). Among Amazon.com’s 24 product categories, the book category is used for analysis, which is the biggest one.

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The dependent variable is set as a sales ranking. As independent variables, we set the number of product reviews, the variance of product review ratings, and the number of letters of a product review. The control variables are set as the price, the average rating, and the number of product description letter. The results of the multiple regression analysis showed that the number of product reviews and the variance of product reviews positively affected the sales performance statistically and that the number of letters in the product reviews negatively affected the sales performance.

**Summary of Findings**

First, we find the increase in the number of product reviews positively affected sales performance. The number of product reviews can be used as a measure of product sales performance in the future. Second, an increase in extreme opinions in product reviews has a positive effect on sales performance. It has been confirmed that extreme opinions enhance diagnostic decision making of product purchase decisions. Third, the number of letters in the product review has a negative effect on sales performance. Although there have not been many studies on the number of letters in the product review, the research on the negative effects of the number of letters in the product review can be continued from now on.

**Key Contributions**

This study conducted an empirical analysis of the effects of communication between customers on sales performance using big data of product review of the online shopping mall. This study can contribute to the completeness of the information economics theory which has not been accurately analyzed due to the lack of data. In addition, this study can be applied to various future researches by providing the basis of theoretical studies such as the influence of the number of letters and the sales performance. In addition, this study will also provide empirical help to product sellers, shopping mall operators and customers of online marketplace.

*References are available on request.*
Introduction

E-commerce will surpass $4.5 trillion mark by 2021 (Global Ecommerce, 2017). More and more businesses are, therefore, setting-up their shops online to serve customers who love convenience and one-click shopping (Mukhopadhyay and Setaputra, 2007). The E-tailing firms have made it easy and simple to buy the product but they are yet to figure out how to equally well perform the product return service for customers. Returns have become major concern for the customers due to hassles associated with sending the product back to the E-tailer (ETRetail.com, 2017), and most firms are yet to de-code how to provide a satisfying, worry-free returns service.

The process of return for customers starts by making the return request to the E-tailing firm through e-mail or mobile app, sometimes followed by telephonic conversations and contacting the service employees. After verification of the return request by the E-tailing firms, customers are required to repackage the product to be returned, sometimes print labels too, and then waiting for the pick-up from E-tailing representative or going to drop off location or doing a self-courier to return the product. During the process at many touch points, the customer’s interaction with the E-tailer can occur either through E-mail, phone or live chat. These interactions impact the future customer outcomes such as repurchase intentions and customer loyalty (Parasuraman et al., 2005). Previous research has identified important but only few attributes which impact customer outcomes during service recovery phase (return phase) of customer journey (Parasuraman et al., 2005; Mollenkopf et al., 2007). The attributes suggested by Parasuraman et al. (2005) are compensation, contact and responsiveness. Research shows that the policy of giving compensation or refund impacts customer outcomes like loyalty and repurchase intentions (Parasuraman et al. 2005, Janakiraman, 2016). Other studies show that an effectively done customer contact through mail, phone or live chat encourages customers to spread positive word of mouth for the E-tailer (Mollenkopf et al., 2011). On the other hand, return hassles and customer physical effort of self-courier, printing return labels negatively affect customer loyalty (Mollenkopf et al., 2011). The research by Janakiraman (2016) shows that monetary effort such as return related shipping and restocking fees decreases customer repurchase intentions. Thus, most of the previous research has shown that the return experience of the customer do impact customer outcomes like repurchase intention and customer loyalty (Griffis et al., 2012).

It was also found in earlier studies that when customers interact with service firms, they evaluate the service encounter as causing harm, benefit or threat which results in emotional reactions (Bagozzi et al., 1999) and behavioral outcomes (Lazarus, 1991). Customer evaluation of the service encounter, therefore, could generate negative emotions like anger, sadness etc. or positive emotions like relief or joy etc. (Lazarus, 1991). It can also produce the behavioral responses like vindictive negative word of mouth (Bougie et al. 2003), vindictive complaining (Gregoire and Fisher, 2008), venting online revenge (Obeidat et al., 2017) and online repatronage intention (Rezaei et al., 2012). Despite of the fact that previous studies have discussed role of customer evaluation in service encounters and how it impacts emotional and behavioral responses, there is the lack of research on customer evaluation of return service encounters, and thus our study attempts to fill this gap by answering...
the question: How does the return service attributes of E-tailing firms affect customer outcomes? To simplify, the purpose of the study is to dig deeper into the following three sub-questions. Firstly, what are return service attributes of E-tailing firms that customer care about in the return service encounter? Secondly, how does customer evaluate the return service attributes during return service encounter? And thirdly, what actions customers take after the evaluation?

**Research Methodology and Analysis**

The study has adopted abductive research approach (Kovacs and Spens, 2005) to develop an empirically grounded model of return service attributes and customer outcomes in E-tailing context. The attributes and outcomes found from the empirical data are constantly compared with the attributes and outcomes from the previous literature and then the new attributes are added to develop and refine the existing theory. Our research plan consisted of several stages. Firstly, the sequential incident technique (SIT) was adopted for conducting customer interviews. As per SIT approach (Stauss and Weinlich, 1997), a loose theoretical framework known as path diagram was constructed for the return process of E-tailing firms following the guidelines of the sequential incident technique (Gremler, 2004; Jones, 1999). The framework then guided the interview themes during data collection. Secondly, the netnographic content analysis (NCA) was adopted to collect secondary data (Kozinets, 1998). For conducting the NCA, critical incidents of the customers were collected from online complaint forums and websites of E-tailers. Thirdly, empirical data collected through SIT interviews and NCA were content analyzed to find the themes and categories (Krippendorff, K., 2018). Fourthly, findings of the data analysis were then matched with the previous theory and thus, the empirical data guided our search back into the theoretical domain, resulting in the selection of three existing attributes—compensation, contact, and responsiveness (Parasuraman et al., 2005) from the literature. Fourthly, new concepts (themes and categories) that helped in understanding the empirical data were added to the existing model. Finally, our qualitative study establish reliability and validity of the study by checking the four criteria of trustworthiness i.e. credibility, transferability, dependability, and neutrality (Lincoln and Gaba, 1985) through the triangulation of the data, sources and methods (Denzin, 1978)

**Discussion**

The findings of the study support the fact that customers’ evaluation of return service attributes of E-tailing firms affect customer outcomes during a return service encounter. The study identifies the following return service attributes of E-tailing firms that customer look into during return service encounter: 1. Owning up to mistakes, 2. Customer time, effort and money, 3. Customer friendly refund policy and 4. Employee service support. The attributes ‘owning up to mistakes’ and ‘employee service support’ emerged as new attributes from empirical data. The new sub-attributes found in our study for ‘Owning up to mistakes’ are owning up to issues related to technical errors, company’s or seller’s issues of sending wrong product, and issues related to refund and cash back. For the second attribute ‘Customer time, effort and money’, we found that sub-attributes of waiting time for picking the product, and physical effort to go and drop off the product are evaluated by customers along with imposed shipping fees and preparing documentation for the return. The sub-attributes that emerge for attribute ‘Customer friendly refund policy’ are company’s approval of refund, the mode(s) available with the company to process refund, timeliness of refund and full amount refund. For the attribute ‘Employee service support’, it is found that customer wants proper and timely information about the return status, active listening and proper response for the return request by the employees. Also customer expects respectful and proper behavior in addition to quick responses from the employees. The study shows that when customer evaluates the return service encounter dissected in terms of returns service attributes, customer emotions guides them to adopt future outcomes towards E-tailing firms. Further our finding also shows that the customer outcomes for the E-tailing firms vary positively or negatively with the valence of the emotional responses of the customers for the return service encounter. The extreme negative outcomes like online litigation and online revenge is adopted by the customers if the return service is perceived highly negative. And negative word of mouth and vindictive complaining is chosen if service is perceived as low-moderately negative. The study also confirms that consumer evaluates return service as positive in cases when they are satisfied with the service encounter. The outcomes chosen in this case is positive word of mouth, repurchase intention and enhancement of customer loyalty and commitment towards the E-tailing firms.

**Implications**

Theoretically, our study contributes to the nascent literature on E-return service during the post purchase return experience journey. The study adds new E-return service attributes in the literature. Our study suggests ‘Owning up to the mistakes’ as a new attribute which signifies accepting responsibility by the E-tailing firm for issues like technical error, seller-related or cash back issues. Another new attribute, namely, employee service support has been suggested from our study. The research also shows that cognitive appraisal of attributes lead to emotional reactions which guides the behavioral responses in the return service encounter, thus adding contribution by showcasing the role of emotions in the cognitive evaluation process in the return service encounter in E-tailing context.
Practically, the study can be used by the E-tailing firms and practitioners to know—what are the return service attributes that matter for the customers in a return service encounter. Thus by knowing the attributes, the practitioners can improve their E-return service for delivering better return experience to consumers. Secondly, since our model attaches particular outcomes to each of the customer’s emotional reactions, companies by taking immediate feedback on customer feelings after return service is completed, will be able to know in advance what actions the customer might take to cope up with their feelings. Thus, companies can plan their relief actions for the customer before the customer initiates any harmful actions against the company.

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Effects of Online Shopping Payment Reminding on Consumer Purchase Decision: The Role of Price Salience

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Keywords: online shopping payment reminding, price salience, budget, gift-giving and self-purchasing

Description: This paper explores the underlying mechanism and boundary conditions of how the online shopping payment reminding affects shoppers’ consumption amount, the types of products purchased (hedonic vs. utilitarian products) and shopping satisfaction.

EXTENDED ABSTRACT

Research Question
With the fast development of mobile technologies, mobile payment is becoming increasingly prevalent in our daily lives. Whenever a mobile payment is finished, we would receive a payment reminding concerning the amount of this payment and sometimes together with the detailed information about the payment. The payment reminding could assist us in tracking our payment process, recording our consumption amount and tracing our payment behaviors. Besides its consumption reminding function, a payment reminding may also trigger the consumer’s retrospection of his/her decision-making process and even induce some changes in his/her emotions and subsequent shopping behaviors. However, previous research pays rare attention to this new phenomenon. Therefore, we seek to explore whether payment reminding could influence the shoppers’ emotional states or subsequent shopping behaviors and find out the underlying mechanism about how payment reminding works.

Our claim is that payment reminding could reduce the shoppers’ total consumption amount and shopping satisfaction. It could also induce the shoppers to purchase more hedonic products rather than utilitarian products. The underlying mechanism is that payment reminding could make the price more salient. We also argue that the effects of payment reminding on shoppers’ behaviors are different in budget/nonbudget conditions and in gift-purchasing/self-purchasing conditions.

Method and Data
Our theory was tested through three lab experiments. Study 1 was conducted to provide initial evidence for the effect of payment reminding on shoppers’ behaviors and emotional states. It was demonstrated that having received a payment reminding after one purchase, the participants’ perceived price salience of the products becomes larger and then their subsequent expenditure as well as their perceived pleasure from this shopping experience will be cut down. In addition, our results also demonstrated that having received a payment reminding, the participants tend to choose more hedonic products than utilitarian products because the purchase of utilitarian goods is more price sensitive than the purchase of hedonic goods. In study 2, we investigated the moderating role of budget on the association between payment reminding and the participants’ behaviors. The results verified that payment reminding has a larger impact on participants’ purchasing behaviors and satisfaction in nonbudgeted condition than in budgeted condition. For study 3, we explored the moderating role of purchase situations (self-purchasing vs. gift-purchasing) and demonstrated that payment reminding has a larger impact on participants’ purchasing behaviors and satisfaction in the self-purchasing situation than in gift-purchasing situation.

Summary of Findings
In this paper, we proved that online shopping payment reminding could reduce shoppers’ consumption amount, the...
number of utilitarian products purchased (vs. hedonic products) and their shopping satisfaction. We also demonstrated the moderating effects of budget and purchase situations on payment reminding.

**Key Contributions**
This research makes several important contributions. First, this paper studies the online shopping payment reminding, which is a new but common phenomenon accompanied by the development of mobile technologies. Second, this paper explores the underlying mechanism of how payment reminding works. We demonstrated that payment reminding affects shoppers’ purchasing behavior and emotional states through making the price salient and we also proved that payment reminding could affect shoppers’ subsequent consumption amount, the types of products they purchased (hedonic vs. utilitarian products) as well as their shopping satisfaction, contributing to research about payment reminding and online shopping behavior. Third, this paper also investigates the effect of payment reminding under different shopping conditions, namely budget/nonbudget condition and self-purchasing vs. gift-purchasing conditions. We argued that both budget and shopping situation moderate the effect of payment reminding on shoppers’ purchase behaviors, while previous research about spending feedback only investigated the effects of payment reminding on budgeted and nonbudgeted shoppers. Therefore, this study enriches our understanding of payment reminding and online decision-making process. (This work was supported by the National Natural Science Foundation of China [grant number71772104].)

References are available on request.
Mobile-Assisted Showroomers: What They Do Inside Brick-and-Mortar Stores

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Keywords: omnichannel retail, showrooming, mobile shoppers

EXTENDED ABSTRACT

Nowadays, the retail environment is becoming an omnichannel purchase experience where smartphones enable consumers to interact with different offline and online retailers in a single, seamless shopping experience. Retailers are facing great challenges to engage with consumers that are physically in their brick-and-mortar stores, but in most of the cases, they are involved in a mobile shopping experience. It is not new that competitive showrooming has been around for the last few years, and offline retailers have been adapting their business to face the challenges of this consumer behavior. Nevertheless, the new mobile omnichannel retail environment is creating greater challenges to the retail industry endangering in great extent traditional brick-and-mortar retailers. The present exploratory qualitative research aims to introduce the term of mobile-assisted showroomers into literature and identify their different in-store behaviors.

References are available on request.
Toward an Inclusive Online Marketplace: The Inverted U-Shaped Effects of Consumer Resources and the Role of Institutional Constraint

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Keywords: consumer resources, scarcity, hukou, institutional constraint, online shopping

Description: With findings from a nation-wide survey of 20,321 respondents, this research reports the inverted U-shaped effects of consumers’ personal resources and their choice of online marketplace, which are moderated by the local hukou as an institutional constraint.

EXTENDED ABSTRACT

Research Question
With an integrative view stemming from research on subsistence consumers and resource scarcity, this paper examines decision of choice made by both subsistence and nonsubsistence consumers with or without resource scarcity. In so doing, our research aims to investigate whether and how consumers’ experienced resource richness affects their decision to participate in online marketplace, in a unique context of institutionally imposed (hukou-based) resource constraint in China. We propose the following research questions (along with hypotheses):

R1: Are there any nonlinear (e.g., U-shaped) relationships between consumers’ (a) technical resources, (b) cognitive resources, (c) temporal resources, and (d) financial resources and the likelihood for consumers to adopt online marketplace as their frequently visited consumption channel?

R2: Does the possession (vs. lack) of hukou moderate the U-shaped effects of (a) technical resources, (b) cognitive resources, (c) temporal resources, and (d) financial resources by lowering the optimal resource points of the likelihood for consumers to adopt online marketplace as their frequently visited consumption channel?

R3: Does the possession (vs. lack) of hukou moderate the U-shaped effects of (a) technical resources, (b) cognitive resources, (c) temporal resources, and (d) financial resources by attenuating the curvature of the likelihood for consumers to adopt online marketplace as their frequently visited consumption channel?

Method and Data
The sample came from a massive census conducted by National Health Commission of the People’s Republic of China (NHCPRC) in 2013 across eight Chinese cities. The valid sample for this study contained 20,321 consumers, including 14,694 domestic migrant consumers without hukou and 5,627 local residents with hukou. All independent variables (IV) and dependent variables (DV) were operationalized using objective measures. We also controlled for respondents’ residential status, gender, age, marital status, and organization type. As the DV is a binary variable, we used logistic regressions to test the hypotheses concerning main effects and moderation effects with two steps. In step one we tested all the main effects by entering all IVs (including linear and quadratic terms) into the model. In step two, we tested the moderation effects by adding interaction terms into the model with hukou as the moderator.

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Summary and Findings
An important finding is the inverted U-shaped relationships between consumers’ personal resources at hand and their adoption of online channel to purchase goods and services. Research on resource scarcity and consumer decision journey has emphasized consumers’ short-term behavior at the cost of their longer-term goals. According to our evidence, however, resource abundance does not necessarily redress the behavioral characteristics resulted from resource scarcity. Having too little could result in the same as having too much in the context of online market participation. This finding of inverted U-curved relationships may indicate the existence of distinct mechanisms functioning at different stages of resource possession.

We also identified the role of hukou as an institutional factor to alleviate the suppression effects of personal resource on online shopping when resources accumulate beyond the turning point. Most prior research on Chinese hukou system at the human dimension focused on its social or economic consequences on creating a rural-urban division that excludes migrant workers from beneficial resources. This study identifies the under-researched resource-driven consumption behavior resulted from the interplay of institutional arrangement and personal resource endowment, and sets the ground for future consumer research from a social perspective.

Key Contributions
This research provides novel insights on when, why and to what extent consumers can be driven to purchase online as opposed to offline. Given that most individual resources have an inverted-U shaped effect on consumers’ online shopping decision, digital marketers are better enabled to target those who are most likely to conduct online shopping. Our research reports a counterintuitive finding that the resource threshold for reaching the maximal likelihood of online purchase is not demanding as one might expect, even for migrant consumers without a local hukou. These numbers lay a solid foundation for why bottom-up online marketing programs would thrive among the vast migrant population in China.

This also provides implications for developing an affordable online market. Policy makers should aim to broaden the coverage of resource provision particularly to those with nearly no access to most resources rather than add more to those who already possess a certain level of resources. Our findings thus offer empirical support for inclusive social policies on resource distribution which affects government investment on education, technical infrastructure, and wage promotion, toward the development of an inclusive online marketplace which extends goods and services needed by many resource-poor consumers.

References are available on request.
Key Factors That Enhance or Weaken Chinese and German Consumers’ Cross-Border E-Commerce Intention

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Keywords: cross-border e-commerce, consumer research, international marketing, perceived value

EXTENDED ABSTRACT

Research Question
Our consumer study is among the first attempts to conceptualize and empirically investigate the relevance of perceived value in the relationship of consumers’ cross-border online shopping intention that takes different country markets (China and Germany) into account. In particular, this research contributes to the knowledge by responding to the following research questions:

1. How do perceived benefits and risks influence the perceived value and how does the perceived value influence consumers’ intention for cross-border online shopping?

2. How do vulnerability, trust and online savvy (knowledge) affect evaluation processes in cross-border online shopping intentions?

3. What differences in cross-border online shopping behaviors exist between advanced and emerging country markets?

Method and Data
To test the hypotheses and to account for cross-national differences, we conducted an empirical study in Germany and China. There are relevant differences in market size, economic conditions, and market development that could lead to discriminative market factors between these countries which could affect cross-border online shopping behavior. In total, we obtained data of N = 884 consumers (442 from China and 442 from Germany). By calculating separate models for the German and the Chinese sample, performing multigroup analysis, we applied bootstrapping procedures (5,000 samples) to assess the significance of the parameter estimates and used SmartPLS 3, which provides a number of model fit criteria.

Key Contributions
The insights from this consumer study entail implications relevant for marketing theory but also retail management and consumer protection organizations: In particular, findings help to understand the perceived benefits and risks of cross-border online shopping as well as the role of the perceived value. The findings constitute a helpful instrument for future research in the area of international online shopping as well as a foundation for retail managers to understand what kind of trade-off consumers face when considering making cross-border online purchases. Moreover, cross-national differences are accounted for by testing the cross-border online shopping model in one advanced (Germany) and one emerging country economy (China): For example, seals of approval, transparent transaction and delivery processes, and building a strong reputation of being trustworthy might be suitable strategies in emerging markets like China, in which trust plays an important role. For advanced country markets like Germany, the acquirement of knowledge of cross-border online shopping has to be facilitated. This can be maintained by guaranteeing an easy access to information as well as educating consumers about possible risks and how to avoid and manage them.
Summary of Findings
On the one hand, for German consumers, cognitive determinants in particular, such as the perceived value, knowledge of beneficial means-end relationship and online savvy, seem to enhance the cross-border online purchase intention. Hereby, we can indicate that risk plays a more important role for German consumers’ cross-border shopping behavior, while Chinese consumers tend to focus on benefits rather than risks. This suggests that German consumers are more risk-averse, thus, they might struggle more with potential risks and feel more vulnerable by cross-border online shopping. Chinese consumers’ purchase decision, on the other hand, is most influenced by trust, but also by knowledge of beneficial means.

References are available on request.
Why and When Consumers Are More Likely to be Influenced by User-Generated Content or Firm-Generated Content

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Ellen Thomas, New Jersey Institute of Technology

Keywords: user-generated content, firm-generated content, message identification, source similarity, consumer expertise, consumer purchase intention

Description: This research looks into the conditions under which user generated content or firm generated content have a larger impact on consumer purchase intention

EXTENDED ABSTRACT

Research Question
Are consumers more likely to be influenced by user-generated content or firm-generated content and why?

Method and Data
Six lab experiments across a variety of sampling populations and consumption situations.

Summary of Findings
The results show that although UGC is more likely to influence general consumers to buy than FGC, expert consumers are more influenced by FGC than UGC. The findings demonstrate that perceived message identification mediates, and source similarity and consumer expertise respectively moderate, the effect of UGC and FGC on purchase intention. The results also indicate that message novelty has a positive interaction effect with FGC on purchase intention, but not with that of UGC.

Key Contributions
1. Our research reconciles the mixed findings from extant research by predicting and validating the different behaviors of general versus expert consumers. General consumers are influenced more UGC than FGC, expert consumers are impacted by FGC than UGC.

2. Our findings demonstrate that message identification underlies the phenomenon of message type impact on purchase intention.

3. We find that if consumers feel dissimilar to online messages, the effect of online messages on consumer purchase intention is attenuated. We also find that if consumers are relatively knowledgeable about the products, the impact of online content on consumer purchase intention will be higher, irrespective of whether they prefer UGC or FGC. In addition, though we do not hypothesize message novelty in the relationship between message types and purchase intention, the results suggest that message novelty moderates FGC but not UGC on purchase intention. These findings provide new and improved understanding regarding UGC and FGC on outcome variables.

References are available on request.

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Motivating Consumers: Monetary versus Nonmonetary Rewards in Consumer Cocreation

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Keywords: consumer cocreation, reward type, product type, consumer-company relationship

Description: This research tests the differential effectiveness of monetary and nonmonetary rewards and the moderating roles of product type and consumer-company relationship when consumers are motivated to participate in consumer cocreation.

EXTENDED ABSTRACT

Research Question
Consumer cocreation is defined as “a collaborative new product development activity in which consumers actively contribute and select various elements of a new product offering” (O’Hern and Rindfleisch 2009, p. 4). To motivate consumers, brands offer either monetary rewards (i.e., cash awards, coupons, vouchers, etc.) or nonmonetary rewards (i.e., recognitions, VIP status, etc.) for consumers’ contribution. Previous work examining the differential effectiveness of monetary and nonmonetary incentives in consumer cocreation process has shown mixed results, and little research on potential moderators in such a relationship has been done. We proposed and tested two moderators, product type and consumer-company relationship type, which affect reward type—willingness to participate consumer cocreation (WPCC) relationship. This paper fills this important gap in literature.

Method and Data
Three pretests and two studies were conducted. In study 1, a 2 (reward type: monetary vs. nonmonetary rewards) × 2 (product type: utilitarian vs. hedonic products) between-subject factorial design tested the moderating role of product type in reward type—WPCC relationship. One hundred and thirty-two participants (47% male) were recruited and randomly assigned to the four conditions. Study 2 tests the moderating role of consumer-company relationship type in reward type—WPCC relationship. A 2 (reward type: monetary vs. nonmonetary rewards) × 2 (consumer relationship type: exchange relationship vs. communal relationship) between-subject factorial design was conducted. One hundred and thirty-three participants (41% male) were recruited and randomly assigned to the four conditions.

Summary of Findings
We find the differential effectiveness of monetary and nonmonetary rewards on motivating consumers to participate in consumer cocreation. Product type and consumer-company relationship moderate the effect of monetary vs. nonmonetary rewards on consumers’ willingness to participate in consumer cocreation. Specifically, monetary rewards work better than nonmonetary rewards in motivating consumers to participate in a cocreation process when cocreation is for utilitarian products or when consumers have an exchange relationship with the company; nonmonetary rewards work better than monetary rewards for hedonic products or consumers in a communal relationship with the company.

Key Contributions
Our research fills the gap in literature by suggesting that both product type and consumer-company relationship type should be taken into consideration when brands design their...
consumer cocreation rewarding mechanism. In addition, the results of our studies provide important implications for managers. First, our research informs brands of making the right pick between monetary and nonmonetary rewards as a way to engage consumers in the process of brand cocreation. Second, brands can increase consumers’ participation in cocreation by matching the reward type with the product type. Finally, brands should also match the type of reward with the type of consumer-company relationship when increasing consumers’ participation in cocreation.

References are available on request.
The Role of Cognitive Complexity and Risk Evasiveness in Herd Behavior

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Keywords: herding intentions, information adoption, cognitive complexity, risk evasiveness, online

Description: This research examines whether sociological and psychological factors influence public information adoption tendencies of online customers resulting in herding intentions at different levels of cognitive complexity, risk evasiveness and gender.

EXTENDED ABSTRACT

Research Question
“Herd behavior” describes the tendency to follow other people, despite having their private information (Banerjee, 1992). Depending more on public information than private information causes herding (Devenow and Welch, 1996; Bikhchandani and Sharma, 2000; Blasco et al., 2018). Herding is a widely discussed topic in the context of financial markets, economic and socio-political domains, but relatively less explored in the marketing domain and especially in the online retail context. The proliferating user-generated content in social media encourages people to adopt public information more for decisions. Factors influencing information adoption are conformity preference intentions of individuals (Scharfstein and Stein, 1990), structural equivalence feeling ((Lorrain and White, 1971), reputation concerns (Luo and Lin, 2013), attribute quality of information (Sussman and Siegal, 2003) and source credibility of information (Petty and Cacioppo, 1986). The cognitive complexity perceptions of individuals (Miller and Bieri, 1965), risk-taking characteristics (Bollig and Göbel, 1997) and gender (Confer et al., 2010) has a role in information adoption and herding. The present paper analyzes the role of sociological factors like conformity preference, structural equivalence, and reputation concern; psychological factors like cognitive complexity and risk evasiveness levels, and gender on information adoption and herding intentions in the online context.

Method and Data
The method involved a structural equation modeling and a 2 x 2 x 2 scenario experiment in identifying significant linkages among antecedents like conformity preference, structural equivalence, reputation concern, attribute quality and source credibility to information adoption and herding intentions. Two levels of cognitive complexity (simple, complex), two levels of risk evasiveness (risk evasive, risk-taking) and gender (female, male) formed the 2 x 2 x 2 factorial design. Four scenarios with manipulation of cognitive complexity (simple vs complex) and risk evasiveness (risk evasive vs risk taker) were randomly assigned to 240 residents in a middle-class housing colony having similar socio-economic backgrounds. The gender ratio was equal. After visualizing the scenario narrating an online buying decision-making process with manipulations of cognitive complexity and risk evasiveness, participants responded to scale items that measure perceptional constructs in the survey. The manipulation for cognitive complexity captured confidence with public information (simple) and need for more private information (complex). Similarly, for manipulation of risk evasiveness were “going with the majority” (risk evasive) and “preference to own judgments” (risk taker). A three-way Multivariate Analysis of Variance (MANOVA) examined online customer’s information adoption and herding intentions at different levels of complexity, risk evasiveness and gender.

Summary of Findings
Attribute quality is the highest predictor of information adoption followed by reputation concern, source credibility, and conformity preference. Information adoption is a significant mediator to herding intentions. Structural equivalence is insignificant in information adoption. Key findings suggest that people with simple cognitive structures and risk evasive tendencies adopt public information more for decisions. The
results show a significant role of cognitive complexity in information adoption and that individuals with simple cognitive structure accept public information more, and chances of herding are more compared to individuals with complex cognitive structure. Whereas risk-evasive people, rely on public information more and engage in herding in a higher manner. Gender influences herding and female are likely to herd more. Similarly, a person with simple cognitive structure and risk-evasive tendency to adopt public information more voluntarily and engage in herding. The significant three-way interaction suggests that females who have cognitive simple structure and risk evasive are more likely to engage in herding.

Key Contributions
Theoretically, we augmented the literature on information adoption and further validated the observations put forth in the elaboration likelihood model and information adoption model. Besides, we could establish that the formation of herding among individuals can significantly vary based cognitive structure, risk evasive tendencies and gender. Customers, in general, are reputation conscious and conformity seekers. If the customer receives concise information from credible sources, they will voluntarily adopt it and follow the majority. The marketers should attempt to understand the cognitive structure and risk evasive tendencies of customers by redesigning feedback forms and should strategically communicate to them with customized messages for herding as well as for minimizing possible dissonances due to actions based on public information.

References are available on request.
How Sharing Self-Quantification with Others Influence Persistence Intention: The Role of Goal Conflict

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Keywords: self-quantification, goal specificity, sharing, persistence intentions

Description: The current study investigates how self-quantification influences persistence intention and extends self-quantification to social community context.

EXTENDED ABSTRACT

Research Question
With the advancement of technology, self-quantification spreads rapidly. Recent research has suggested that most individuals fail to persist in self-tracking for long-term goals (Ledger and McCaffrey 2014; Etkin 2016). The current study attempts to explore the impact of self-quantification on individuals’ persistence intentions and extend the research of self-quantification from individual level to social community context. We propose that quantifying personal performance could increase individuals’ persistence intentions because self-quantification makes the ambiguous goal more specific. However, sharing self-quantification with others would impair individuals’ persistence intentions because sharing distracts people’s focus away from the goal itself and toward others’ evaluation and judgment. As a result, sharing makes the focal goal less specific. We also demonstrate that whether the distraction happens depends on sharing audience. When individuals share self-quantification performance with closer person who holds a similar goal with them, the negative effect of sharing on persistence intentions is dramatically reversed.

Method and Data
We tested the hypotheses through three lab experiments. In the first study, we initially test the prediction that self-quantification could increase individuals’ persistence intentions in pursuit of the long-term goal when the goal is nonspecific. Study 2 explores the negative impact of sharing self-quantification on persistence intentions. Study 3 demonstrates that sharing self-quantification with closer others would enhance persistence intention, which reversed the negative impact of sharing self-quantification on persistence intention.

Summary of Findings
Across three laboratory experiments, the present research demonstrates that self-quantification increases individuals’ persistent pursuit for the long-term goals (study 1), in contrast, when sharing personal quantification occurs, their persistence intentions decrease (study 2). The increase in persistence intentions due to self-quantification specifies the process of goal pursuit. The decrease in persistence intentions due to sharing self-quantification diverts individual’s focus away from the activity itself and toward others’ evaluation and judgment and makes the focal goal less specific. In addition to persistence intentions, sharing also decreases persistent use of record and tracking applications (study 2). These findings consistently explain that sharing self-quantification is harmful to persistence intentions. However, how sharing self-quantification would influence individuals’ persistence intentions depends on sharing audience. The closer interpersonal relationship could motivate and inspire individuals’ goal pursuit and reverse the negative impact of sharing self-quantification on persistence intentions (study 3).
Key Contributions
This current research makes two main contributions. First, we extend relevant research of self-quantification to community level which is under explored and increasingly attracting academic and managerial attentions. Previous studies mostly focus on the motivations of self-quantification users from the individual level. But how sharing self-quantification influence persistence is not well understood. We demonstrate that sharing self-quantification in social community impairs persistence intention because sharing diverts people’s focus and makes the focal goal less specific. Second, the findings have strong practical significance for self-quantification users. The ability to persist is a fundamental and critical determinant of long-term goal pursuit. But the utility of self-quantification would occur after a long-term process, as well as the formation of better habits. Hence, how to make people persistently track and collect self-relevant data is a big challenge. The findings of this research help people to understand how to approach the goal and how to prompt persistence. Self-quantification may specify the process of goal pursuit, as a result, make persistence much easier. The closer person can also provide social support and inspire people’s motivation to persist better.

The authors are very grateful to be supported by the National Natural Science Foundation of China (71772104).

References are available on request.
Consumers’ Attitude Recalibration: The Role of Attitude Confidence

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Keywords: corrective magnitude, product knowledge, bias correction, attitude confidence

EXTENDED ABSTRACT

Research Question
1. The current research attempts to examine whether, under conditions encouraging corrections, consumers who have higher attitude confidence in their initial product judgments would correct less for the potential of bias than those who have lower attitude confidence.

2. We also want to examine whether, under conditions encouraging corrections, consumers who have more product knowledge would feel more confident in their initial product judgments and thus would correct less for the bias than those with less product knowledge.

Method and Data
Method: experiment design
Data analysis: ANOVA

Key Contributions
The current research may offer the following contributions. First, as far as we know, this is the first research investigating the underlying process of determining the corrective magnitude in the bias correction literature. Previous research has focused on examining the conditions under which corrections are invoked and the directions in which judgments are corrected. However, no research investigates the factors affecting the corrective magnitude. Though past research has found that attitude confidence is an important determinant of the conformance to social influence (Swann and Ely 1984), information seeking (Snyder and Swann 1978), projection (Marks and Miller 1985), and attitude-behavior consistency (Berger and Mitchell 1989; Fazio and Zanna 1978; Smith and Swinyard 1983; for a review, see Gross, Holtz, and Miller 1995), no studies have ever examined the role of attitude confidence in varying the extent of attitude recalibration. Attitude confidence and its sources are first proposed and empirically examined as the factors influencing the corrective magnitude in the current research.

Second, it can offer important implications to marketers. Emphasizing the role of attitude confidence on corrective magnitude is clearly of great importance for marketers. Enhancing consumers’ attitudes toward products is not the only important focus for marketing or persuasive strategies; increasing consumers’ confidence toward product attitudes may be equally important since higher confidence would lessen attitudinal recalibration or correction. The less the correction, the less likely the effects of marketing attempts would be reversed. By controlling the correction magnitude to be minimal, marketers can manipulate the persuasive variables (e.g., endorser, music, etc.) more efficiently. On the other hand, marketers can also annul competitors’ communicating influences by means of enlarging consumers’ correction magnitude for competitors’ promotion programs.

Summary of Findings
The current research consisted of two studies, and both studies confirmed our hypotheses. That is, when there was the bias-reminding tagline, instigated corrections for the positive endorser made target judgments worse in either high confidence priming or low confidence priming conditions. An analysis of interaction contrast revealed that participants who were less confident in target evaluations significantly corrected more than those who were more confident (Study 1). Besides, the bias-reminding tagline significantly deteriorated target evaluations regardless of different product knowledge levels. An analysis of interaction contrast revealed that participants who had low product knowledge significantly corrected more than those with high knowledge (Study 2).

References are available on request.
More Can Be Achieved with Honey and Sugar: Relational Justice Enhances Service Recovery

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**Keywords:** service recovery, distributive justice, relational justice, customer satisfaction

**EXTENDED ABSTRACT**

**Research Question**
Prior research has established that offered compensation (distributive justice) has a positive relationship with outcome variables such as customer satisfaction (CS), purchase intentions (PI), repurchase intentions (RPI), word of mouth publicity (WOMP) etc. However, there is a dearth of studies that have investigated the influence of other components of compensation, the speed of processing (procedural justice) and/or vendor apology/initiation (relational justice), in the above relationship.

**EXTENDED ABSTRACT**
A 5 (IV, Offered Compensation) × 2 (Moderator, Vendor Initiation) between subjects’ design was used for this study with 10 cells shown in Table-2 below, representing five levels each for the IV (Offered Compensation: $10, $15, $27, $39, and $44) and two levels for the moderator (Vendor Initiation, yes/no).

In addition to the manipulations, DV’s (customer satisfaction, purchase intention, repurchase intention, NWOMP, and offence feelings) were measured using standardized scales with their respective items on a 1 to 7-point Likert Scale, where the lower point on the scale refers to the lower value of the measured DV. Some demographic information such as age and gender were also collected to run any supplemental analysis if needed. Data was collected in undergraduate classes at a major university in return for course credit.

**Key Contributions**
The insights from this research are expected to enrich the service recovery literature, and have important managerial implications, on decisions concerning how best to compensate customers in case of a product/service failure, for optimal outcomes, using least amount of distributive resources.

**Summary of Findings**
Our findings reveal that if the criticality and/or extent of product/service failure were moderate, the influence of offered compensation on the outcome variables is significantly moderated by relational justice.

*References are available on request.*
Do Negative Reviews Have a Negative Impact on Consumer Product Evaluation?

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ABSTRACT
There are positive and negative reviews. Positive reviews have positive impact on consumer product evaluation, and negative reviews have negative impact on consumer product evaluation. However, existing research have overlooked cases where negative review does not necessarily negatively affect consumer product evaluation. So, we will clarify it.

Keywords: e-WOM, benefit-centric WOM, attribute WOM, hybrid WOM, expertise

Introduction
Consumers often use information spread via word of mouth (WOM) when purchasing a certain product. For example, some consumers purchase a product based on its reviews (information that buyers gather from previous consumers regarding the products they sell). In recent years, WOM has been attracting attention as an important research topic in marketing theory. This is because communication between consumers is more efficient than the advertising activities that the companies make large investments in. WOM has a significant impact on consumers’ decision-making ability and behavior at a low cost. In fact, many studies have suggested that WOM can have a more significant impact on consumer behavior than advertisements from the seller (Day, 1971; Engel, Kegerreis, and Blackwell, 1969; Sheth, 1971). Consumer-purchasing decisions are changing as the Internet rapidly develops and its use spreads. This is because social-networking services via social media and online shopping sites can be used for information exchange between consumers without them actually meeting in person (Henning-Thurau, Gwinner, Walsh, and Gremler, 2004).

Several studies that have explored the impact of online reviews (e-WOM) on consumer evaluation of products, and others are focused on analyzing two types of reviews, positive reviews and negative reviews, where reviews contribute to consumer product evaluations. Research has shown that positive reviews have a positive impact on consumer product evaluations and negative reviews negatively affected consumer product evaluations (East Hammond, and Lomax, 2008; Park and Lee, 2009; Sen and Lerman, 2007; Xia and Bechwati, 2008). Other studies have categorized attribute- and benefit-centric reviews (Park and Kim, 2008). In the latest research, they focus on the point that the research does not consider the characteristics of the Internet, and they are examining the various impacts that positive and negative ratios of reviews give to consumer behavior. According to Kikumori (2015), when consumers read reviews of hedonic goods, When the ratio of positive reviews to negative reviews is 8:2, it has been clarified that consumer product evaluations are higher than when the ratio of positive reviews to negative reviews is 10:0

Existing research has overlooked scenarios where negative reviews via WOM do not necessarily have a negative impact on consumer product evaluations. Therefore, building on knowledge from existing research, this study focuses on identifying and hypothesizing the conditions in which negative reviews do not negatively affect consumer product evaluations. In order to examine the empirical validity of the
proposed hypothesis, we conducted multiple comparative analyses using the data obtained from consumer surveys. Based on the results, we then provide academic and practical opinions.

Literature Review

Types of Products Subject to Review

Products can be classified into two types: hedonic goods and utilitarian goods (Laurent and Kapferer, 1985; Mittal, 1989; Vaughn, 1980; Zaichkowsky, 1987). Hedonic goods are products whose attributes differ based on consumer preference and personal feelings, and their product evaluations tend to fluctuate.

Based on reviews of hedonic goods, it was found that consumers do not evaluate the products objectively; rather, their evaluations are of a subjective nature (Sen and Lerman, 2007). This is because the product characteristics of hedonic goods differ based on consumer preferred attributes.

In contrast, utilitarian goods are products characterized by the function and performance; hence, they are evaluated with respect to their functional and practical roles.

Consumers who purchase and use utilitarian goods use them for practical purposes based on their needs, and they want the them to solve their own problems. (Babin et al., 1994).

Expertise of Consumers and Appeal of Reviews

Park and Kim (2008) classified reviews as either an attribute-centric or benefit-centric review. The attribute-centric review is a rational, objective, and detailed description of a product based on performance information. However, the benefit-centric review is an emotional, subjective, and abstractly written review based on the writer’s personal benefits from using the product.

Sussman and Siegal (2003) examined the product expertise of consumers who received reviews via e-WOM. According to them, consumers with a good level of expertise on the product value the content of reviews. However, those with a lower level of expertise focus on the credibility of the information sources.

The former can examine information based on their experiences and knowledge and evaluate the products accordingly. Therefore, compared with benefit-centric reviews, attribute-centric reviews are more effective for such consumers. However, the latter cannot thoroughly examine information on the attributes of a product. Thus, the benefit-centric review, which describes a product in terms of its utility, is more effective for such consumers than an attribute-centric review (Walker and Olson, 1987).

Positive/Negative Ratio

Lee et al. (2008) showed that a high percentage of negative reviews on a webpage results in a negative product evaluation by consumers as compared to the case when the percentage is low.

However, Doh and Hwang (2009) pointed out that if there are multiple reviews on a webpage, the presence of negative reviews will have a greater effect on the reliability of the review content and website compared to the case without any negative reviews.

Based on the results of Doh and Hwang (2009), Kikumori (2015) showed that a certain percentage of negative reviews does not result in a consumer having a negative evaluation of the product; in fact, it can have a positive influence on their evaluation.

In addition, she clarified the conditions under which such a phenomenon occurs and when will it be more strongly urged using variables such as the type of product, expertise of the consumer as a receiver, and content of appeal.

Hypothesis

Negative Hybrid WOM That Resolves Consumer Queries

A hybrid review combines the feature of both attribute-and benefit-centered reviews. This is possible because there are attribute-centered reviews that can be understood even by consumers with low expertise. For example, when a consumer with low expertise sees a review about a product on a single web page, 80% is negative attribute-centered review cannot carefully examine and 20% is positive benefit-centered review can examine, considering the existing research, we will place importance on positive benefit-centered reviews of 20% that can be examined, we will make positive product evaluations. However, this contradicts many existing studies, and it is unlikely to it actually happen. If 80% of reviews are negative attribute-centered review a consumer with low expertise cannot carefully examine, even if 20% are positive benefit-centered review they can carefully examine, the consumer does not always evaluate positive product evaluation.

Therefore, there is an attribute-centered review that can be used to understand only the good or bad aspects of a product even for consumers with low expertise.

In our research, considering the above, we classified attribute-centered reviews, as those that can be thoroughly exami-
ined by highly specialized consumers, the attribute-centered reviews that even consumers with low expertise can examine. Therefore, reviews are categorized as attribute reviews, benefit-centered reviews, and hybrid reviews.

Many studies exploring the impact of reviews on product evaluation have not considered cases where attribute-centered reviews and benefit-centered reviews are mixed, e.g., where both are present on a single web page. Furthermore, the cases where even a consumer with low expertise can examine a hybrid review have not been studied.

Hence, this paper explores cases where negative reviews do not have a negative influence on consumer product evaluation based on hybrid reviews.

When consumers encounter low-priced products considering high-quality products, they may be doubtful about this imbalance and distrustful of the product owing to the price. Such an imbalance can occur in the case of utility goods.

However, if there are reviews that address these doubts, consumers will feel better informed even if it is a negative review. Furthermore, if the consumer has a very low level of expertise, the confidence gained from these reviews could lead to more a favorable evaluation of a product.

In the case of hedonic goods, the diversity in product evaluations is attributed to the diversity in individual values. In addition, it is crucial for a review that eliminates the imbalance between quality and price to include detailed information: that is, information on attributes, that resolves consumer doubts. In addition, it is necessary for such reviews to be hybrid reviews that incorporates the review’s value judgements with attribute information, which can be understood by consumers with low expertise.

Therefore, we propose hypothesis 1-1, which asserts that the contents of negative hybrid reviews reduce the negative impact of the reviews.

H1-1. Where the products are utilitarian goods and where the consumer expertise is low, when positive WOM is 80% and 80% and negative hybrid WOM that includes content that address a matter regarding the price and quality of a product is 20%, consumer satisfaction is higher than when positive WOMs is 90% and negative WOM that does not address such an issue is 10%.

For products with multiple attributes, information on websites and information conveyed in face-to-face reviews may be inadequate. Thus, for utilitarian goods, consumers may question the unknown points about their function. If there are reviews that address such questions, even though a they are negative, consumers with low expertise will feel more confident about the product, which could lead to a favorable product evaluation. Therefore, similar to hypothesis 1-1, we propose hypothesis 1-2, which asserts that content of hybrid reviews reduces the negative impact of negative reviews.

H1-2. Where the products are utilitarian goods and where the consumer’s expertise is low, when positive WOMs is 80% and negative hybrid WOM that includes content that addresses a matter about the function of a product is 20% consumer satisfaction is higher than when positive WOMs is 90% and negative WOMs that does not address such an issue is 10%.

Product Characteristics for Which Ideal Level About Products Differ Among Consumers

When reading a negative review of a hedonic good, consumers say that the reviews content does not align with their evaluation of the products; hence, they are less likely to be affected by negative reviews (Sen and Lerman, 2007). This is because many of the product characteristics of hedonic goods are thought to be different from the ideal reveal depending on the consumer. For example, the optimal level with regard to descriptions such as “implicit/explicit” or “short/long” may vary for each consumer.

In a hybrid review that refers to the attributes of a hypothetical good that is examined by consumers regardless of their level of expertise, the ideal level tends to describe product characteristics that differ from consumer to consumer. Even though a negative hybrid review mentions that one product characteristic is negative, another consumer could like the characteristic mentioned in the review, which may lead to a positive product evaluation.

Therefore, based on the above discussion, we propose hypothesis 2.

H2. Where the products are hedonic goods and when the positive WOM is 80% and negative hybrid WOM that mentions the product characteristics for which the ideal levels differ among consumers is 20%, consumer satisfaction is higher than when the positive WOM is 90% and negative WOM that does not address these issues is 10%.

Empirical Tests

Outline of the Experimental Investigation

An empirical analysis was conducted to examine the empirical validity of the hypotheses. This was done by reconfiguring an experimental investigation from an existing study (Kikumori, 2015; Doh and Hwang, 2009; Lee, et al., 2008;
To test hypothesis 1, consumers were divided on the basis of the median of their level of expertise, consumers who have high and low expertise. The target product was a digital camera, which is a utilitarian good (Kikumori, 2015). Four virtual websites were created, where the ratio of positive to negative reviews was 9:1 for the case when the negative hybrid WOM does not address questions about the price and quality of the product and 8:2 for the case when the negative hybrid WOM addresses questions about the price and quality of the product. The positive WOM is composed of only benefit-centric WOM and benefit- and attribute-centric WOM. In addition, the layout was set such that the product name was above the product’s photo and 10 WOM reviews were posted under the photo. The negative reviews were randomly posted for both ratios.

With regard to hypothesis 1-2, when the ratio of positive to negative reviews is 8:2, the negative hybrid WOM includes content that addresses questions about the function of the product.

To test hypothesis 2, the target product was set as a movie, which is a hedonic good. We made four types of virtual websites. The ratio of positive to negative WOM was 9:1 when the negative hybrid WOM does not mention the product characteristics for which the ideal values differ between consumers. The ratio was 8:2 when the negative hybrid WOM mentions the product characteristics for which the ideal values differ between consumers. The positive WOM in both cases was either benefit-centric WOM or benefit- and attribute-centric WOM. In addition, the layout was the same as that mentioned above. The negative reviews were randomly posted for both ratios.

Measurement Scale

The measures developed by Alpert and Kamins (1995) were adopted for product evaluation. The measures developed by Park and Kim (2008) were adopted to determine consumer expertise. In accordance with their measures, we adopted a 7-point Likert scale from “strongly agree” to “strongly disagree.” Hypotheses 1-1 and 1-2 were tested using 61 participants, with a 100% valid response rate. Hypothesis 2 was tested using 76 participants, with a 100% valid response rate.

Analysis of Results for Hypothesis 1-1

An analysis of variance was performed for the results of the hypotheses proposed above. For the model for hypothesis 1-1, the overall F-value was 0.57, which was not statistically significant. The R² value was 0.14.

Therefore, hypothesis 1-1 was not supported.

| Table 1. Mean and standard deviation of product evaluation (Hypothesis 1-1) |
| Positive WOM is composed of only benefit-centric WOM |
| | X₁ (Ratio of positive to negative reviews) | X₂ (Negative hybrid WOM addresses questions about price and quality) | Mean (Standard deviation) |
| 9:1 | Excluding | 4.89 (1.03) |
| 8:2 | Including | 5.06 (1.30) |

| Table 2. Mean and standard deviation of product evaluation (Hypothesis 1-1) |
| Positive WOM composed of benefit- and attribute centric WOM |
| | X₁ (Ratio of positive to negative reviews) | X₂ (Negative hybrid WOM addresses questions about price and quality) | Mean (Standard deviation) |
| 9:1 | Excluding | 4.86 (1.19) |
| 8:2 | Including | 4.89 (1.25) |
**Analysis of Results for Hypothesis 1-2**

For the model for hypothesis 1-2, the overall F-value was 2.58, which was statistically significant at the 10% level. The R² value was 0.38.

When the ratio of positive to negative reviews was 9:1 and the positive WOM was composed of only benefit-centric WOM, the mean of the product evaluation was 5.19 (standard deviation = 0.95).

When the ratio was 8:2 and the positive WOM was composed of only benefit-centric WOM, the mean of the product evaluation was 4.83 (standard deviation = 1.18).

Therefore, hypothesis 1-2 was not supported.

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<tr>
<th>Table 3. Mean and standard deviation of product evaluation (Hypothesis 1-2)</th>
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<tr>
<td><strong>Positive WOM composed of only benefit-centric WOM</strong></td>
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<td>( X_1 ) (Ratio of positive to negative reviews)</td>
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<th>Table 4. Mean and standard deviation of product evaluation (Hypothesis 1-2)</th>
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<td><strong>Positive WOM composed of benefit- and attribute-centric WOM</strong></td>
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<td>( X_1 ) (Ratio of positive to negative reviews)</td>
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<td>9:1</td>
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**Analysis of Results for Hypothesis 2**

For the model for hypothesis 2, the overall F-value was 2.91, which was statistically significant at the 5% level. The R² value was 0.49.

When the ratio of the positive to negative reviews was 9:1 and the positive WOM was composed by only benefit-centric WOM, the mean of the product evaluation was 5.20 (standard deviation = 1.10).

When the ratio was 8:2 and the positive WOM was composed of only benefit-centric WOM, the mean of the product evaluation was 4.39 (standard deviation = 1.37).

When the ratio was 9:1 and the positive WOM was composed of benefit- and attribute-centric WOM, the mean of the product evaluation was 5.19 (standard deviation = 0.98).

When the ratio was 8:2 and the positive WOM was composed of benefit- and attribute-centric WOM, the mean of the product evaluation was 4.81 (standard deviation = 1.18).

Therefore, hypothesis 2 was supported.
It was found that in certain conditions, negative reviews do not have a negative impact on consumer product evaluation. Hypothesis 1-1 is not considered in the discussion, as the model was not significant ($p > 0.10$).

In cases where a negative hybrid review addresses questions regarding the function of a product, even if there is a large proportion of negative reviews, there is no difference in consumer product evaluation compared to a case where the review does not address such questions. If there is a negative review about a product, the company should identify whether the review addresses questions about the function of the product.

In addition, if the content of a negative hybrid reviews refers to product characteristics wherein the ideal levels differ among consumers, even though there is a large proportion of negative reviews, there is no difference in consumer product evaluation compared to a case where the review does not refer to the ideal levels of product characteristics that differ among consumers. Companies need to accurately recognize the characteristics of their products. If the ideal level of the product characteristics varies among consumers, the product will not be very sensitive to negative reviews.

### Future Research

The limitations to this study are as follows. The following issues were identified regarding the survey method. In the consumer survey, the respondents were limited to college students because of time and budget constraints. In future, to increase the reliability of the analysis, those surveyed should not include only college students. In addition, according to the study of Kikumori (2015), a virtual review site was used. Hence, the reviews included both virtual ones and actual reviews. In future, more meaningful insights can be obtained by using actual reviews. Despite the limitations, the conclusions obtained here can be used as a meaningful cornerstone for future marketing research.

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So What’s Driving Customers’ Repurchase Intentions and True Repurchases? Not Satisfaction or Identification but Its Product Quality, Stupid!

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Keywords: product quality, formative measurement, longitudinal study, operations management, customer-company-identification, customer satisfaction

Description: Longitudinal validation of a multidimensional product quality construct measuring product quality from the customers’ lenses in a broader nomological network.

EXTENDED ABSTRACT

Research Question
The objective of this article is to develop a reliable and valid measurement instrument capable of measuring product quality as experienced by the customers i.e. “Customers’ Experienced Product Quality (CEPQ)” which is consistent with theoretical conceptualizations of product quality as per the existing literature.

This study aims to answer the following research questions:

1. If the developed scale for customers’ experienced product quality (CEPQ) fulfils the required reliability and validity criteria?

2. If there exists a relationship between CEPQ and customers’ satisfaction (SAT) and their identification (CCI) over and how they (CEPQ, SAT and CCI) influence customers’ repurchase intentions (RI)?

3. How the dynamics of relationship between CEPQ, SAT and CCI evolve over time in predicting RI?

4. If this dynamics of relationship evolution transcends beyond intentions and impacts real repurchase behaviour of customers?

Method and Data
Based on the literature research and qualitative interviews with customers across four product categories in two countries, initially the authors conceptualized CEPQ as a second-order formative construct with eight first order reflective dimensions namely, performance, features, ease of use, durability, reliability, material, serviceability and aesthetics, measured with a 27 item survey instrument. The developed CEPQ-scale was validated using a model predicting customers’ repurchase intentions (RI) across six diverse product-categories in a longitudinal set-up.

The main longitudinal study was done across 6 heterogeneous product-categories namely, cars, espresso machines, laptops, lawnmowers, smartphones and televisions in two waves spanned over 12 months. The first survey made sure that only customers who own their product for a minimum 6 months and use them regularly (more than once a week) were selected. The second survey was conducted after 12 months using the same survey instrument, and finally after eliminating insincere and incomplete responses through data filtering for both the waves we had the following number of valid responses (N) along with the response rates (rr in %) across the categories for our study: cars (N = 944, rr = 67),

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espresso machines (N = 421, rr = 51), laptops (N = 613, rr = 62), lawnmowers (N = 632, rr = 65), smartphones (N = 595, rr = 40), and televisions (N = 567, rr = 59). The 12 months gap in the study also allowed us to collect data on new purchases done by customers from the first wave. Among the valid responses in our collected data we observed the following number of new purchases across the product categories: cars (N = 187), espresso machines (N = 99), laptops (N = 139), lawnmowers (N = 91), smartphones (N = 320) and televisions (N = 134). The obtained data was analyzed first using SPSS for the descriptive and exploratory factor analysis. Mplus v7.4 was used for further confirmatory analysis. And finally, the developed model was analyzed using partial least square-structural equation modeling (PLS-SEM) using SmartPLS v3.2.6.

Summary of Findings
Our study shows that the developed CEPQ (Customers’ Experienced Product Quality) scale is generalizable since it meets all the prescribed reliability and validity criteria across the six diverse product categories. Our multidimensional measure CEPQ also shows that it is wrong to conceptualize product quality merely as an antecedent to satisfaction, which as of now has mostly resulted in a decline in the need and interest to explore the product quality construct. In six diverse product categories, the CEPQ measure shows more impact on repurchase intentions (RI) when compared to satisfaction and identification initially as well as over a period, which in our case was 12 months. Furthermore, the impact of CEPQ is not just limited to repurchase intentions but rather it goes on to predict the true-repurchase behavior of customers emerging as its most influential predictor, validating the fact that product-quality based path exists and if not more important is certainly as important as the existing satisfaction and identification based paths.

Key Contributions
Despite researchers agreeing on the importance of product quality in customers’ repurchase behavior unfortunately all this time the impact of product quality mostly considered to be routed through identification and satisfaction.

This work aims to fill in this void by first defining product quality as a multidimensional measure namely CEPQ (Customers’ Evaluated Product Quality) and goes on to validate it in a broader nomological network in cross-sectional as well as longitudinal study. scale. The findings suggest that marketers, as well as operation managers, should instead of only relying on their well-established satisfaction/identification metrics should also start to measure CEPQ. The CEPQ measure with its formative weights of the first-order quality dimensions also helps in quality diagnostics by showing the relative importance of the different quality dimensions in shaping overall quality perceptions and the buying behavior of customers across the product categories.

References are available on request.
Customer Learning and New Product Success: Are Customers Ready?

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Keywords: customer learning, new product purchase, self-directed learning, social learning

EXTENDED ABSTRACT

Zara, ranked as the 46th world’s most valuable brands in 2018 on Forbes1 and, undoubtedly, one of the most successful fast fashion brands, launches new products twice each week and 10,000 new designs each year2. Other industries, though not as dramatic as the fast fashion industry, also have been accelerating new product launches (e.g., a new concept, new generations, new line extensions, etc.) to satisfy fragmented customer preferences. For instance, Apple has been launching new product series twice per year since 2011, and the number of new product varieties has enlarged significantly. New product launch acceleration is inevitable in the contemporary business landscape and, consequently, new product success immensely affects a company’s survival. If a new product is not quickly accepted by an adequate group of customers, people are hardly likely to consider it without deep discounts in the future, in that there are thousands of new products launched every day (in the fast fashion industry). Competitors are too aggressive to wait for the focal brand to penetrate the market gradually and customers are excited about new products just launched. Thus, companies invest a great amount of marketing effort and resources to prospective and existing customers in the hope that they would adopt new products quickly.

However, the involvement of company-initiated marketing only accounts for a third during the active-evaluation phase of purchase journey as “customers seize control of the process and actively “pull” information helpful to them” (Court et al. 2009). Customers rely on self-discovered information more than ever, e.g., monitoring sales of current stocks and referencing “typical” marketing mix offerings (i.e., product features, pricing) learned from the past, for their adoption decisions. That is, customers’ prior responses to marketing mix are not only outcomes but can serve as a mechanism to ease the uncertainty of adopting a new product. In other words, customers are smart. They learn throughout the entire customer-company touch points (e.g., Cheng, Zhang, and Neslin 2016; Gaur and Park 2007; Sriman, Chintagunta and Manchanda 2015). Academic research has also identified empirical evidence of behavioral interdependencies where people seek insights from others’ behavior when making decisions under uncertainties (e.g., Morvinski, Amir, and Muller 2017; Zhang et al. 2010). Many comments and online reviews like the following vignettes hint this fact. “I have purchased many types of products from XXX [brand]. Now it has a new edition of lipsticks, it must be good”; “I am not buying XXX [brand] unless it is on sale, usually 30% off”; “So many people have bought this product, it can’t be bad.”

Taken all together, companies are facing more impediments and complications when launching new products due to the acceleration in new product launches and customers self-directing their journey by customer learning behavior. Firms seem to have much less control over the customer journey (Lemon and Verhoef 2016). However, the so-called customer learning has been recognized as a critical factor for

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1https://www.forbes.com/companies/zara/#72f777717487

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successful marketing and organizational effectiveness (Hibbert, Winklhofer, and Temerak 2012). This is because as customer learn, customers are able to gain confidence and reduce a large amount of time in searching information externally as well as uncertainties in making decisions (Kang, Hahn, and De 2017). We further articulate that if firms are able to guide customer learning, such customer-directed behavior can become an asset of companies and be converted into a significant ingredient in the receipt of new product success. Thus, this research aspires to investigate a vitally managerial relevant question: what are the impacts of various types of customer learning on new product success—both adoption rate and speed? By answering this question, this research delivers avenues that firms can engage in to streamline and enhance the efficiency of a customer learning process. Namely, firms can strategically guide customer learning in ways that benefit new product success and foster customers to be ready for new product adoptions.

Literature has documented some aspects of customer learning: learning from product features (i.e., Cheng, Zhang, and Neslin 2016), pricing strategy (i.e., Anderson and Simester 2013), and others’ purchases (i.e., Morvinski, Amir, and Muller 2017; Zhang 2010). As such, there are self-directed learning (Hibbert, Winklhofer, and Temerak 2012) and social learning (Zhang 2010) that customers can draw inferences from while they make purchase decisions. A natural follow-up question can be whether various aspects of learning influences customer decisions differently. However, most extant research has deemed customer learning as a single-faceted construct that captures customer prior overall experience with a brand (i.e., Zhao, Yang, Narayan, and Zhao 2013) or utilizes one aspect of learning such as price-strategy learning as the operationalization of customer learning (price-strategy learning: Yu, Debo, and Kapuscinski 2015). The selection, motivation, and utilization of different aspects of customer learning result in the complexity of contingent effects. Without comprehensively understanding the customer learning concept, managers are unable to grasp how customers really learn about their brands, let alone influencing their learning process.

As indicated, this research accounts for two vital outcomes of new product success in the fast fashion industry—adoption rate and speed, whereas in the literature only adoption rate has been intensively studied. We assert that understanding the drivers of adoption speed is vitally important because an initial unacceptance signals a warning of bad quality, or just something might be wrong, and more importantly, neither customers nor competitors have the patience to wait for a new product to diffuse in the market. As such, the speed to win a satisfactory number of innovators or early adopters become equally if not more crucial for bottom lines.

To summarize, the contribution of this research is threefold. First, this research promotes a new strategy for firms to increase new product success by uncovering an undiscovered driver of new product adoption: customer learning. Firms ought to educate and train their customers to be ready for new products. We suggest firms facilitate customer learning from the beginning of their customer journey with the focal brand, rather than passively waiting for customers to purchase new products or simply promoting new products with advertisements and discounts. In other words, firms can nurture innovators on their own. Second, our research considers new product success from the perspectives of both increasing the number of adopters and boosting the speed to purchases. Third, this research dissects customer learning and articulates that it is multifaceted and more complex than extant research’s understanding. We empirically show customers study a brand from various aspects and these different types of customer learning (types of self-directed learning and social learning) affect new product adoption differently. Also, information search research indicates that as customers leverage various information sources in their decision-making process, synergies may be stimulated (citation). We further demonstrate that different types of customer learning foster spillover effects in influencing new product adoptions. These findings further help managers identify and cultivate their own and high-quality innovators for new products.

To answer our research question, we draw significant inferences from the theory of transfer of learning (Thorndike and Woodworth 190) and conduct a prestudy and thorough literature review to understand customer learning phenomena such as what aspects customers perceive to be essential to learn which then they can leverage in the future purchases. Then, we utilize the data from one of the largest fast fashion women apparel companies in China and construct various types of customer learning obtained from the prestudy. They are self-directed learning—product-feature learning (how well customers are familiar with product features of the focal brand) and price-strategy learning (how well customers grasp the focal brand’s price and promotion strategies) and social learning. To form these learning constructs, we monitored 98,185 customers from their first purchase with the focal brand and their following touch points with the brand. Then, we utilize split-population duration models to examine the independent as well as joint impacts of self-directed learning and social learning on new product purchases. The predictive validity and the results of model comparisons all indicate the superiority of our model.
Our results show that product-feature learning is the most influential driver for increasing the likelihood of new product adoption, followed by social learning. However, price-strategy learning adversely affects the likelihood. As for the duration to adoption, product-feature learning is again the most influential driver for decreasing the duration, following by price-strategy learning and social learning. Synergy effect appears between social learning and product-feature learning, whereas social learning and pricing-strategy learning counteract with each which together harms new product success. We suggest that firms need to facilitate different types of learning to cater to their new product marketing goals: market penetration (adoption speed) and market expansion (adoption rate).

References are available on request.
Abandon Distinctiveness in Good Old Time: How Nostalgia Decrease Consumers’ Uniqueness Seeking Tendency

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Keywords: nostalgia, uniqueness seeking, social connectedness, social ties

EXTENDED ABSTRACT

Research Question
Nostalgia is a ubiquitous emotion frequently experienced by humans which refers to a sentimental longing for the past (Hepper et al. 2012; Holak and Havlena 1998; Wildschut et al. 2006; Stephan et al. 2014). Nostalgic themes have been particularly pervasive in marketing campaigns. For example, McDonald’s, Coca-Cola and PepsiCo are attached to use nostalgia in promotion. In light of the prevalence of nostalgia, recently researchers focus on how nostalgic feelings influence consumer behavior (Zhou et al. 2012; Huang et al. 2016; Lasaleta et al. 2014). However, previous research mainly demonstrated the influence on one’s own behavior overlooking the influence of the group. According to optimal distinctiveness theory, individuals have simultaneous goals of being distinct and similar to others in a group (Brewer 1991). Little is known about how consumers’ willingness to be distinctive or similar to others is changed when they feel nostalgic. To fill this gap, the current research aims to explore whether and how nostalgic feelings influence consumers’ motivations to conform vs. be distinct from others, in particular, the tendency to choose majority-endorsed vs. minority-endorsed options (Wan et al. 2014; Huang et al. 2014).

Method and Data
Our main hypothesis is that nostalgic feelings heighten consumers’ perceived social connectedness, which in turn weakens their tendency to seek uniqueness in subsequent product choice, i.e., choosing a unique product or a product a minority of people prefers. Meanwhile, the strength of social ties (strong vs. weak) moderates the mediation effect of social connectedness. We conducted four experiments to test the above propositions. Study 1 (a field experiment) examined the hypothesis in the retailing setting. By manipulating nostalgia using the background music in a university café, study1 shows that patrons evoked of nostalgic feeling are less likely to choose distinctive tissue pack. Study 2 provides further evidence supporting the negative effect of nostalgic feelings on uniqueness seeking tendency, using a choice between the minority-endorsed mug versus majority-endorsed mug to measure uniqueness seeking. Study 3 employed a different recall manipulation technique and a variety of product categories to replicate the nostalgia effect. Study 3 also confirmed the mediating role of social connectedness and ruled out the alternative explanations. Study 4 further examined the moderation effect of the strength of social ties on social connectedness and measures uniqueness seeking by a book club membership choice.

Summary of Findings
The current research consistently demonstrated that incidental nostalgic feelings heighten consumers’ perceived social connectedness, which in turn leads to less tendency to seek uniqueness in subsequent product choice, i.e., the minority-endorsed option. Moreover, the negative effect of nostalgia on uniqueness seeking exists when the social ties between

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the consumer and others are weak but disappears when the social ties are strong. Across four experiments, we find that the negative effect of nostalgia on uniqueness seeking holds true across experimental settings, i.e., lab (Study 1) and online platform (Studies 2 and 3), product categories, i.e., functional products (Studies 1 and 2) and experiential products (Study 3), manipulation tasks, i.e., at any given time (Studies 1 and 3) and a period with time frame (Study 2). Furthermore, the effect was consistent across samples of Chinese undergraduate students and samples of American with diverse background, suggesting that these effects of nostalgia on uniqueness seeking are quite pervasive. In addition, we ruled out several alternative explanations in this research, i.e., bittersweet emotion and decision basis, which further strengthens the proposed underlying mechanism. The robustness and internal validity of the research findings are hence enhanced.

**Key Contributions**

First, findings of the current research are valuable addition to the nostalgia literature by emphasizing on two novel perspectives. By examining a causal relationship between nostalgia and uniqueness seeking, this study is the first attempt to uncover how nostalgic feelings influence consumers’ tendency to conform with or be distinct from others. Also, the current research seeks to reveal that nostalgia can also elicit negative impact on certain consumer choices. Second, this research enriches the literature of uniqueness seeking by providing nostalgic as a meaningful determinant. Prior research has identified that uniqueness seeking can be activated by individual differences (Snyder and Fromkin 1977) or situational factors (Huang et al. 2014; Leva and Zhu, 2009; Xu et al. 2012), little is known about whether and how incidental emotion will elicit impact on uniqueness seeking. The current research highlights the issue on a subtle, ubiquitous yet overlooked incidental emotion, i.e., nostalgia, and findings reveal a negative impact of nostalgia on uniqueness seeking. Third, the current research has validated a new psychological mechanism driving uniqueness seeking. Pertinent research has suggested that uniqueness seeking behaviors are driven by social exclusion (Wan et al. 2014). With a different perspective, the current research posits that enhanced social connectedness will weaken consumers’ pursuit for distinctiveness, resulting in lower likelihood for uniqueness seeking.

*References are available on request.*
Using Hedonic Descriptions to Lessen the Impact of Waiting After a New Product Preannouncement

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Keywords: customer waiting, new product preannouncement, intertemporal decision, hedonic consumption, regulatory focus

Description: This study investigates customers’ decision-making under a new product preannouncement and argues the different impacts of utilitarian and hedonic descriptions.

EXTENDED ABSTRACT

Research Question
New product preannouncement (NPP) is an effective management strategy to signal other parties in the market, but NPPs also have negative impacts on the sales of the current product (i.e., the cannibalization effect, Eliashberg and Robertson 1988). The cannibalization effect builds upon a vague assumption that consumers will wait for the future product because of its superiority, ignoring various potential issues that might influence their decisions. For instance, recognition and acceptance of the new product’s superiority does not necessarily mean a consumer will choose to wait for the new product, because individuals prefer the present utilities over delayed utilities (Frederick et al. 2002). Thus, understanding consumers’ responses to NPP messages could potentially provide alternative solutions for managers who struggle with the perfect timing of NPPs. This study aims at answering this question by investigating consumers’ decision-making trade-off between an existing product and a future product with incremental superiority.

Method and Data
In this study, we present an initial experimental designed study examining proposed main effect of wait time and moderation effect of hedonic description. Specifically, the study used a 2 (wait time: short vs. long) x 2 (type of product: hedonic vs. utilitarian) between-subject experimental design, putting participants into a typical purchase scenario to observe their decision-making. In the scenario, we manipulated participants’ usage and consumptions motives, as well as the wait time for the new product. In addition, the manuscript also proposed three more studies to further elaborate the underlying mechanisms of proposed moderation effect.

Summary of Finding
A two-way ANOVA is used to examine the impact of wait time and different primed values on consumers’ likelihood to wait. There is a statistically significant interaction between wait time and the type of product on consumers’ likelihood to wait (F (1, 155) = 3.996, p < 0.05). Specifically, consumers’ likelihood to wait for the new laptop decreases more severely with the increase of the wait time when consumers have a utilitarian focus as compared to a hedonic focus. Also, simple effect analysis showed that consumers are less likely to wait for a product with a long wait as compared to one with a short wait (both p < 0.001). The results of this study illustrate that a consumer’s decision to wait for a preannounced new product is influenced by how long he or she must wait for the product and the type of product is being considered. Specifically, the longer the wait time is, the less likely he or she will wait. Also, when a product is introduced with an emphasis on hedonic features, the impact of long wait time is less critical than when the product is introduced with an emphasis on utilitarian features.

Key Contribution
This study potentially provides an alternative for practitioners to control the cannibalization effect after preannouncing a new product. Specifically, we proposed and showed that the
timing of NPP message has critical impacts on consumers’
tendency to wait for the new product. But this influence could
be addressed by emphasizing on the hedonic/utilitarian aspect
of the new product. We revealed that hedonic emphasis helps
to minimize the negative impact of increased wait time,
encouraging consumers to wait for the new product, and we
explained this reduction is a result of the justification provided
by the wait and the regulatory fit among hedonic product, pro-
motion foci, and the perception of the distant future. In this
sense, practitioners could consider adjusting their emphasis
when introducing the new product to encourage or discourage
consumers to wait for the new product.

References are available on request.
Purchase Intentions and Point of Purchase: Customer 360-Degree Perspective

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Keywords: customer 360-degree, retail industry, point of purchase, purchase intentions

Description: The purpose of this paper is to provide insights on the most suitable point of purchase with selected factors influencing purchase intentions under the preview of elements of customer 360-degree.

EXTENDED ABSTRACT

Research Question
1. To identify the choice for various point of purchase for different types of products.
2. To study variables influencing customer choice of point of purchase.

Method and Data
We have selected 3 product types (Apparels, Durables, Personal Care) with 4 customer touch points (CRM and Brand Loyalty; Website and Apps; the influence of social media advertising; and Retail store) and assessed them under factors influencing 3 different purchase intentions (Impulsive buying; Shopping experience; and variety). A conceptual framework was created based on the available knowledge in the existing literature. This was tested using a convenience sample of 81 consumers in the age group of 15-55. KMO (0.74) was checked to measure sampling adequacy. Regression analysis was used to identify choice for various point of purchase for different types of products and to analyze the reasons for customer choice of point of purchase. Data is analyzed using SPSS and model is made using AMOS. To identify factors, we have used factor analysis. We have used exploratory factor analysis with VARIMAX as orthogonal rotation method. All factors where Eigenvalues were greater than 1 were taken into consideration.

Summary of Findings
Customer 360-degree helps in collecting customer data from various touch points to provide valuable information about the customer. Impulsive buying is most effective through brand loyalty. This is apparent from the fact that discount and other promotions coupons can effectively indulge customer for impulsive buying of preferred brands. Website and Apps also are a useful source for promoting impulsive buying. Another critical factor affecting point of purchase is social media advertising which influences impulsive buying of apparels. For durables, brand loyalty and social media advertising are prominent in determining the point of purchase. For personal care products, the influence of social media advertising is an important point of purchase. This is due to the nature of the product. Also, the model is moderately strong as personal care goods are procured as and when required.

Key Contributions
Customer 360-degree is touching customers at various touch points that a customer may use to contact a company to purchase products and receive service and support. Since technology has become the backbone of marketing with new ways of marketing being developed using mobile devices, social media platforms, etc. and hence the various touch points with which customers may interact has increased tremendously. Customer 360-degree tries to gather customer data across multiple touch points to understand customer insight and enhance the experience of the customer from a different point of purchase. We suggest that brand loyalty, the influence of social media advertising, websites and retail stores are a very useful point of purchase touch points. These are further associated with impulsive buying, shopping experience, and variety as selected factors influencing purchase intentions.

References are available on request.

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Brand Recovery in the Context of Sacred Consumption: An Institutional Perspective

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Keywords: sacred consumption, brand transgressions, brand relationship, brand recovery

Description: A scenario-based experimental study investigating the notion of brand transgressions and brand recovery in the context of sacred consumption.

EXTENDED ABSTRACT

Research Question
The purpose of this study is to advance existing conceptualization of brand transgressions in the context of sacred consumption. Beyond traditional brand transgression research focusing on competence-based transgression, this research examines the concept of brand transgression for a value-based transgression involving “sacred brands” (e.g. Kosher or Halal brands).

This study applies the disconfirmation paradigm and posits that a brand transgression in the context of sacred consumption, results in a unique disconfirmation of expectations that exceeds a traditional consumer-brand relationship. The context of sacred consumption involves a disconfirmation of expectations with “The Sacred,” as consumers have committed a “sin” by not adhering to their religious beliefs due to the brand transgression. Hence, in the context of sacred consumption, consumers may have unique perceptions and reactions towards a brand transgression involving “sacred brands.” This research aims to investigate the following questions:

1. How does the context of sacred consumption affect consumers’ response to brand transgressions?

2. What are the effective recovery strategies that will help mitigate the negative consequences of a brand transgression involving “sacred” brands?

Method and Data
Two scenario-based experiments were conducted to investigate the effects of a brand transgression on brand trust and behavioral intentions as well as the effectiveness of brand recovery strategies to improve posttransgression brand trust and behavioral intentions. Specifically, Study 1 was conducted to investigate if brand transgressions in the context of sacred consumption have more negative implications for brands; as well as if conventional recovery strategies work to restore consumer trust and behavioural intentions after a brand transgression involving “sacred brands.” Subsequently, Study 2 proposes an institutional perspective on brand recovery for “sacred brands” involved in a transgression. This research uses the context of Halal consumption as an example of sacred consumption.

Summary of Findings
Overall, the results from two experimental studies highlight the negative consequences of a brand transgression involving “sacred brands” that violates a religious norm. Brand trust and behavioral intentions were significantly lower for a brand transgression in the context of sacred consumption compared to a general brand transgression. Furthermore, the results also highlight the difficulty involved in restoring a consumer’s trust and behavioral intentions towards the brand in the context of sacred consumption, where conventional strategy (e.g., apology) did not work.

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The study of brand transgression has focused mainly on individuals and dyadic consumer-brand relationships. In this research, the findings show how consumers that are part of a social institution (i.e. religion) experience a brand transgression that violates their fundamental belief systems differently, resulting in a greater negative impact on consumer behavior. Study 2 found that during a brand transgression involving a violation of a religious norm, it is important for brands to go beyond the traditional individual-directed recovery strategies (e.g. apologies or compensation) and use network-directed recovery strategies instead (e.g. involvement of social institutions).

**Key Contributions**

This research contributes to the brand transgressions literature by exploring the effects of brand transgression through the lens of sacred consumption. This endeavor offers a novel perspective in the examination of brand transgressions and brand recovery efforts, since past research in the brand transgression domain concentrated on brand transgressions involving competence-based transgressions instead of values-based transgressions.

The current research extends the concept of humanizing brands whereby brands are not limited to only human-like features but also features of “The Sacred.” Thus, the dyadic relationship between consumers and the brand changes to a triadic relationship between consumers, brand and “The Sacred.” As a result, when the brand violates the fundamental norms that guide the triadic relationship, consumers view it as a betrayal as it goes beyond a simple consumer-brand relationship but one that involves their core belief system and relationship with “The Sacred.”

Past research has extensively studied consumer brand relationships from a dyadic relationship lens. However, the present research highlights that the consumer brand relationship can evolve to a triadic relationship during a transcendent consumption experience. This occurs due to the association between brands, religion and consumers. Thus, conventional strategy directed at individuals (i.e. dyadic consumer-brand relationship) was ineffective. Instead, brands should engage with the institutional bodies that consumers relate to gain legitimacy and recover consumers’ trust and behavioral intentions.

*References are available on request.*
Movie Consumption and Brand Placement Preferences of Young Adults

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Keywords: brand placement preference, movie consumption, young adults

EXTENDED ABSTRACT

Research Questions
1. What are moviegoers’ multiattribute preferences for different execution styles of brand placements in movies such as, movie type, placement mode, integration with the plot and actor endorsement of the brand?
2. What are the movie consumption habits and preferences for brand placements in movies for young adults?

Method and Data
The primary data for this research study was collected from 465 postgraduate students from two institutes in a city in the western part of India. The sample age group ranged from 21 to 27 years which was considered appropriate because 33% of 15-34 year old age group were found to watch movies at theaters at least once per month in 2016 (Statista, 2016). A structured questionnaire was designed for data collection using convenience sampling. It was decided to provide respondents with hypothetical brand placement descriptions and capture their preferences. Multifactor choice situation trade off amongst elements like, movie type, placement mode, integration with the plot and actor endorsement of the brand were considered for this study. Profile cards were therefore designed using three levels for movie type (action, comedy and drama/romance), two levels for integration with the plot (integrated and not integrated), mode (visual/background, usage, usage plus verbal), and actor association (main actor). In order to keep the task easy and avoid collinearity among elements, an orthogonal fractional factorial design was used (Winer, 1973). Nine profile cards were generated using SPSS software and two additional holdout cards were included to test the internal validity of the model.

Key Contributions
This study extends the current research on brand placement on two counts. First, it provides insights from an emerging market perspective with respect to young adults preference for brand placements in movies as well as movie consumption. Second, it uses modeling of consumer preferences among multiattribute alternatives of brand placements, making it a unique study, as no prior study to the best of our knowledge has pursued this approach. The purpose of this study is to contribute to the literature on brand placement by revealing movie goers multiattribute preferences for different execution styles of brand placements in movies such as, movie type, placement mode, integration with the plot and actor endorsement of the brand. Further, it generates knowledge about movie consumption by exploring variation in preferences for brand placements in movies for young adults.

Summary of Findings
This study extends prior research in the area of brand placement in movies. The findings revealed that movie consumption of young adults was high, consistent with previous findings which indicated that movie consumption of young adults was extremely high ranging from few movies every week to almost one movie per day (Chan et al., 2017). This implies that brand managers could use this opportunity to target the segment of young adults in a captive situation. Another interesting insight from this study is that marketers can concentrate their efforts towards those attributes which are important to consumer groups for effective brand placement in movies. Comedy movies would definitely provide marketers better placement opportunities for brands and it would be enhanced when the brand is well integrated in the...
movie scene further displaying the brand usage through the main actor in the movie. Henceforth, this study has taken a fresh approach in investigating how to incorporate a specific combination of elements while placing brands in movies with greater effectiveness thereby having implications for marketers who want to employ product placements.

References are available on request.
Customer Empowerment in the Face of Perceived Incompetence: Effect on Preference for Anthropomorphized Brands

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Steven Shepherd, Oklahoma State University
Olivier Trendel, Grenoble Ecole de Management

Keywords: brand anthropomorphism, brand preference, power, customer empowerment, perceived competence

Description: The current research contributes to the budding literature investigating the implications of humanizing brands under the lens of social dominance by highlighting the moderating role of perceived competence.

EXTENDED ABSTRACT

Research Question
Brands often tell consumers that they have power, either directly through slogans such as Burger King’s famous “Have it your way” or by providing them with sufficient knowledge and autonomy to allow them to exert control over the purchasing process (e.g., designing your own wardrobe at IKEA). Yet, not everyone may feel comfortable or competent enough to handle a sudden empowerment. How then does variation in people’s competence affect how they behave toward those over whom they have power? In this research, we address this question in relation to brand anthropomorphism given the widespread practice of imbuing brands with human features.

Method and Data
Across five studies, we tested the hypothesis that power leads to a preference for anthropomorphized brands in contexts of high (but not low) perceived competence. In three studies, we measured participants’ perceived competence under the assumption that, in real-life situations, consumers are likely to shop with their chronic sense of competence. In contrast, the two remaining studies manipulate perceived competence to provide evidence of causality. They further rule out alternative explanations and provide evidence of mechanism. Throughout our studies, we considered sense of power as a chronic difference and a psychological state which we experimentally induced using memory tasks, role-based manipulations, and marketing-relevant scenarios. Furthermore, we tested our hypothesis using real brands and fictitious brands.

Summary of Findings
This research adds to the budding literature investigating the relationship between power and brand anthropomorphism. First, while our work is the first to evince that power causes a preference for anthropomorphized brands, it highlights above else that the relationship between power and brand anthropomorphism holds only when consumers feel competent. Feelings of competence tend to be rather high in the absence of threats (Bandura, 1994). While this can explain the results of prior works (e.g., Kim and McGill, 2011; 2018), we found that challenging consumer perceived competence could dilute or even reverse the appeal of anthropomorphized brands in context of empowerment.

Second, this research brings insight on the motivational factors that facilitate brand anthropomorphism. Despite predictions that consumers whose sense of competence was threatened would prefer anthropomorphized brands as a way of helping them regaining control over their environment (MacInnis and Folkes, 2017), we found the opposite depending on levels of powerfulness. This does not mean that we discard desire for competence as a potential driver of brand anthropomorphism.
Brands may be seen as enabling the self, especially if they project competence and reliability (Khenfer et al., 2017). This research merely highlights the interplay between power and perceived competence on brand relationships.

**Key Contributions**

Our findings suggest that managers should be mindful when empowering customers. We found that providing consumers with the power to make decisions that affect others or the company did not necessarily bear the expected effects. While we focus on brand anthropomorphism, we found that perceived competence played a crucial role on the behavioral consequences of power. Therefore, programs designed to empower customers should occur concurrently with initiatives to boost their sense of competence, for instance, through positive feedback and encouragements.

Moreover, this research highlights that although managers often attribute anthropomorphic features to their brands, this practice is not always relevant and may even backfire. Consumers are often told that they have power regardless of whether or not they actually have any kind of control over the purchasing process or the various aspects of their lives. For instance, Burger King famously declares “Have it your way.” Relying as such on cues of empowerment in contexts of brand anthropomorphism—Burger King’s mascot: “the King”—appears effective, or at the very least, not detrimental, as long as consumer perceived competence is not threatened. If perceived competence is threatened, activating a high-power mind-set could potentially drive consumers away.

*References are available on request.*
The Differential Effects of Face Gain versus Face Loss on Luxury Brand Consumption

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Rajeev Batra, University of Michigan
Zhuomin Shi, Sun Yat-sen University

Keywords: face gain, face loss, self-construal, luxury brands, China

EXTENDED ABSTRACT

Research Question
In this paper we seek to understand in much more depth than before—both conceptually and empirically—how different types and sources of face have an impact on the demand for LV goods among Chinese consumers today. After a review of face in not just the Western but also the Chinese scholarly literatures we argue for, and demonstrate, an important conceptual and empirical distinction between an individual’s concern with face gain (CFG) versus the concern with face loss (CFL). We then show how both of these chronic face concerns combine with the face-related concerns more salient in a specific situation. Finally, we study the interactions between these face needs and a consumer’s dominant type of self-construal in motivating LV consumption.

Method and Data
Through three data collection rounds, we demonstrated the superiority of our newly developed CFL (3-items) and CFG (3-items) scales for chronic face concern measurement in the broad domain of consumption. We showed that these two scales nonetheless possess discriminant validity from other consumption-related constructs such as the Need for Status, the Susceptibility to Normative Influence, and Materialism Values. Results from subsequent experiments also provide nomological validity support for our new CFG and CFL scales. We further found support that CFL influences LV spending more than CFG does. Our additive congruency hypothesis between chronic face loss and situational face—consumers’ LV spending being higher for higher CFL consumers in a face loss situation — only found support among low IND-SC (independent self-construal) consumers. Importantly, the observed significant interaction showed that for higher IND-SC consumers, higher CFL consumers and a situational face loss are likely to lead to the higher purchases of LV brands.

Summary of Findings
First, it draws on the prior literature on the face construct, not only from the North American literature (e.g., Goffman, 1955) but also on the less-known but extensive Chinese literature (e.g., Chu, 1987; Gao, 1998) to posit, and then develop valid and reliable measures for, the desire to gain face versus to not lose face as two separate, distinct motivational dimensions. We show that our measures out-perform others that have been suggested (e.g., Zane and Yeh 2002; Zhang et al., 2011). Second, we hypothesize and demonstrate that Chinese consumers’ desire to buy luxury and visible (LV) products is related more strongly to their desire to not lose face (be seen as inferior), rather than to a need to gain face (demonstrate superiority) over others. Third, we show that this individual-level chronic need for face interacts in a plausible ‘additive congruency’ manner with the type of face-need (to gain, versus to not lose, face) that may exist in specific situations. Fourth, we test hypothesized interactions of the separately-measured needs to gain (versus not lose) face with the individual-level factors of independent versus interdependent self-construal (Markus and Kitayama, 1991).
Key Contributions
Prior academic research has postulated possible linkages between Chinese consumers’ concern with face and their evident desire to purchase expensive and visible luxury products (e.g., Wong and Ahuvia, 1998; Li and Su, 2007), but whether this desire is driven more by a need to gain face, versus not lose face, has not been extensively studied before. Thus our research makes several valuable contributions to the literature.

References are available on request.
Effect of Business Cycles on Consumers’ Reliance on Brands: Moderating Role of Brand and Product Characteristics

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Tarun Kushwaha, University of North Carolina
Jan-Benedict Steenkamp, University of North Carolina

Keywords: consumers’ reliance on brands, brand equity, business cycles and consumer behavior, product involvement, time series, sales-based brand equity

EXTENDED ABSTRACT

Research Questions
1. Do the business cycle fluctuations contribute to temporary changes in consumers’ reliance on brands?
2. Do the business cycle fluctuations have long term impact on consumers’ reliance on brands?
3. Which brand and product category characteristics explain heterogeneous effect of business cycle fluctuations on consumers’ reliance on brands?

Method and Data
In the first step, scanner panel data is used to get yearly brand equity estimates based on the sales-based brand equity approach (the intercept method). Next, Hodrick-Prescott Filtering is used to extract cyclical component of GDP per capita (as the measure for business cycles) and decompose brand equity measures into cyclical (short term) and trend (long term) components. Finally, cyclical and trend components of brand equity are regressed on cyclical component of GDP to capture short and long term effects of business cycles on consumers’ reliance on brands.

Key Contributions
This 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 (Yoo, Donthu, and Lee 2000), consumer attitudes (Whan Park et al. 2010), corporate social responsibility (Torres et al. 2012), order of entry (Simon and Sullivan 1993), and intergenerational influences (Moore, Wilkie, and Lutz 2002) 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. This study complements the literature on drivers of brand equity by studying important external factors—i.e., business cycle fluctuations—and their impact on brand equity.

This 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 (Deleersnyder et al. 2004), consumers’ shopping frequency (Ma et al. 2011), advertising effectiveness (Van Heerde et al. 2013), marketing conduct over the business cycle (Lamey et al. 2012), private label share (Lamey et al. 2007), and inventory investment (Kesavan and Kushwaha 2014). This study complements this body of research by investigating the impact of business cycles on brand equity.

Summary of Findings
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.
Consumer Behavior in Collaborative Consumption: Analysing the Role of Cognitive Complexity and Psychological Empowerment on Customer Value

Sofi Dinesh, Amrita Vishwa Vidyapeetham
Rejikumar G., Amrita Vishwa Vidyapeetham

ABSTRACT

This study adopted a descriptive review to identify factors relevant in customer perceptions about the sharing economy. Favorable customer dispositions on individual value beliefs, self-efficacy, privacy/security risk, and platform quality develop customer value, and quality feel towards collaborative consumption. The cognitive complexity and psychological empowerment perceptions significantly moderate favorable beliefs.

Keywords: cognitive complexity, collaborative consumption, psychological empowerment, customer value, quality

Description: This paper attempts to look at the impact of cognitive complexity and psychological empowerment on quality and value perception of customers in collaborative consumption practices.

Introduction

The economic model of collaborative consumption (CC) focuses on product usage rather than product ownership and therefore results in lesser production and more conservation of valuable resources. The customer, of course, have been facing many complexities to understand and adopt this innovative consumption model. One is cognitive complexity associated with decision making. In simple terms, cognitive complexity is the degree of difficulty perceived by an individual to understand and use an innovation (Rogers, 2003). Cognitive complexity perceived while decision making through the lens of existing value system of individuals, understanding of risk, privacy breaches, and efficacy in technology use, etc. are likely to shape customer value and quality perceptions about CC. Similarly, psychosocial barriers come in the way of accepting innovative sharing economy models. For example, social norms (such as the resistance to travel with strangers) followed as per the value system prevailing in a country, risk aversive nature of its population, and resistance to accept change build a psychological barrier towards adoption of any innovative product or service. A sound understanding of the cognitive and psychological factors that encourage/discourage collaborative consumption in the conservative economies will be helpful in developing more innovative business models on the same.

Methodology

In this study, a descriptive review based on studies done on sharing economy from 1998 to 2017 was performed. The studies on sharing economy were collected from sources such as Ebsco, Google Scholar, and Scopus database using the keyword search on sharing economy, access-based sharing, collaborative consumption, shared access, circular economy, etc. Articles from Scopus indexed journals from diverse fields of study such as logistics, banking, hospitality, tourism, and also web sources were retrieved. Additional articles were further fetched from the reference list of each article. A total of 75 articles were retrieved and then sorted based on their relevance to this research. The final list consisted of 40 articles. The main findings of each research article were documented and were segregated for concluding on research questions.

For further information contact: Sofi Dinesh, Amrita Vishwa Vidyapeetham (kg_sofidinesh@asb.amrita.kochi.edu).
Major Observations

The Concept of Collaborative Consumption (CC)

The concept of collaborative consumption involves the sharing of an underutilized or excessive resource with a peer for monetary or nonmonetary benefits either online or offline (Plewnia and Guenther, 2018; Barnes and Mattson, 2016). According to Belk (2014), collaborative consumption is “people coordinating the acquisition or distribution of a resource for a fee or other compensation.” It is different from the traditional process of consumption, where the consumer is a passive buyer of goods and services provided by the firm through the monetary exchange (Ertz et al., 2016). Here, customer acts as a prosumer who is both a provider and obtainer of resources either directly with other consumers or through a facilitator (Ertz et al., 2016). The ability of the consumers to switch roles from provider to receiver and vice versa is the key criteria that separate traditional consumption from collaborative consumption.

Cognitive Complexity

Cognitive complexity is a mental disposition to evaluate or view person and objects in one’s social environment as complex or differentiated (Berkowitz, 1957; Bieri, 1955). According to Zinkhan and Braunsberger (2004), cognitive complexity is a key factor that influences consumer behavior in decision making. When individuals use a variety of information to arrive at a decision (Vannoy, 1965), the cognitive structure of consumers plays a crucial role in information processing for behavioral outcomes (Bettman, 1976; Frederick, 2005). Literature offers evidence for both mediating and moderating role of cognitive complexity in decision processes.

Psychological Empowerment

Ertz et al. (2016) proposed delegation, full empowerment, and quasiempowerment that influence customer confidence. Delegation is mostly applied to conventional consumption practices (Scaraboto, 2013) where a clear distinction exists between the consumption and production process (Scaraboto, 2015). Here, the customers are just obtainer of goods and services and do not involve in the production process (Miller, 1987, 1988). Full empowerment relates to the joint role of customers in the network for distribution, transportation, and transformation of things (Ertz et al., 2016). Here the consumers negotiate the terms and conditions of the exchange with other consumers as peers and assume the role of prosumers. In the case of quasi empowerment which is more practiced in the CC context, the consumers act as producers of goods and services, but they sell the same to a third party which can include even an organization. The organization then sells the goods and services procured from consumers to other consumers. So, this kind of CC lies in between pure delegation and empowerment.

Various attributes related to collaborative consumption empowers customers. These include sense of control, progress cues, and interaction with other customers, choice, impact, and meaningfulness.

Customer Disposition Variable: Value System

The Values Theory (Schwartz, 1992) defines values as desirable, trans-situational goals, varying in importance, that serve as guiding principles in people’s lives. This theory captures ten basic values that contain core values recognized by most of the cultures in the world. These values include self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence, and universalism.

Customer Disposition Variable: Self-Efficacy

Self-efficacy is “people’s belief in their capabilities” (Bandura, 2012). Self-efficacy has an impact on human functioning through cognitive, emotional, motivational, and decisional processes. Literature has pointed to the existence of different kinds of self-efficacy. Collaborative consumption practices are facilitated by technology. So self-efficacy in technology use psychologically empowers consumers to participate actively and develops value perceptions.

Customer Disposition Variable: Risk Perception

According to Taylor, in a situation of consumer choice, risk can also be inferred in terms of possible loss which could be psychological, social, functional, or economic. Two risks considered important from the viewpoint of CC are security risk and privacy risk. The threat of potential misuse of personal information of consumers by CC service providers constitute a privacy risk (Gao et al., 2015). The threat of potential harm caused by a situation, condition, or event to resources or people constitute security risk (Kalakota and Whinston, 1997). Also, the risk of damage to private property and assets or physical injury to users also exist (Lee et al., 2016).

Customer Disposition Variable: Perceptions About Platform Quality

The service providers in CC make themselves available to consumers through websites and mobile applications. Platform quality has the components of system quality, service quality, and information quality (DeLone and McLean, 2003). They pointed out that system quality consists of reliability, availability, adaptability, usability, and response time; information quality refers to the content and quality of information generated. Content consists of relevance, completeness, personalization, security, and ease of understanding. Service quality encompasses the components of assurance, empathy, and responsiveness. In the context of CC services when users perceive platforms of CC providers to
<table>
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<tr>
<th>Sl. No.</th>
<th>Authors</th>
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<tbody>
<tr>
<td>1</td>
<td>Coyne</td>
<td>2005</td>
<td>Cheap and true altruism</td>
<td>NA</td>
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<tr>
<td>2</td>
<td>Belk</td>
<td>2007</td>
<td>Feeling of community</td>
<td>NA</td>
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<td>3</td>
<td>Hennig-Thuraue al</td>
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</tr>
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<td>4</td>
<td>Moeller and Wittkowski</td>
<td>2010</td>
<td>Economical, convenience, trendy, environmental friendly, free from burden of ownership</td>
<td>NA</td>
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<td>5</td>
<td>Botsman and Rogers</td>
<td>2010</td>
<td>monetary gain, feeling of community, environmental concerns, and as an outcome of economic recession</td>
<td>NA</td>
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<td>6</td>
<td>Lamberton and Rose</td>
<td>2011</td>
<td>Product scarcity and product rivalry</td>
<td>NA</td>
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<td>7</td>
<td>Albinsson and Perera</td>
<td>2012</td>
<td>Fostering friendship with like-minded people</td>
<td>NA</td>
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<tr>
<td>8</td>
<td>Tussyadiah</td>
<td>2014</td>
<td>economic benefits, feeling of community, and sustainable consumption. Personal characteristics like level of education, frequency of travel, higher income levels, and innovativeness</td>
<td>NA</td>
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<tr>
<td>9</td>
<td>Hamariet al</td>
<td>2015</td>
<td>economic gains, sustainability, and enjoyment of the activity through building up of positive attitude</td>
<td>Self Determination Theory</td>
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<td>10</td>
<td>Johnson et al</td>
<td>2015</td>
<td>Subjective norms, integrity of users, offline experience. Attitude impacts intention</td>
<td>Theory of Reasoned Action and Theory of Planned Behavior</td>
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<td>11</td>
<td>Griffiths</td>
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<td>value (hedonic, utilitarian, and symbolic), consumer innovativeness. Attitude impacts intention</td>
<td>Theory of Reasoned Action and Theory of Cognitive Hierarchy Model</td>
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<td>12</td>
<td>Oyedele and Simpson</td>
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<td>Transaction utility through shareaids, familiarity with technology use</td>
<td>Consumer utility model</td>
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<td>13</td>
<td>Lee et al</td>
<td>2017</td>
<td>perceived benefits of economic gains and enjoyment</td>
<td>Extended Valence Framework</td>
</tr>
<tr>
<td>14</td>
<td>Fung So and Hudson</td>
<td>2018</td>
<td>Familiarity with use of technology impacted perceived benefits and perceived learning cost through positive attitude formation</td>
<td>Technology adoption model, theory of reasoned action, theory of planned behavior, social cognitive theory, and Value adoption model</td>
</tr>
</tbody>
</table>

Source: Elaborated by the author for this study
be facilitating smooth and responsive transactions and inter-
actions, their evaluation about the same will be positive
which will encourage them to participate in CC (Chen et al.,
2015; Cheng and Huang, 2013).

**Customer Value**
Holbrook (1994, 1999) proposed a multidimensional con-
struct with economic, social, altruistic, and hedonic compo-
nents for perceived value. The details of the dimensions of
value are extrinsic versus intrinsic, self-oriented versus
other-oriented and active versus reactive. A combination of
all the three types of value dimensions mentioned above pro-
duces eight types of values, and all these types of perceived
value can occur in any consumption experience in varying
degrees.

**Conceptual Framework**

**Customer Dispositions, Customer Value, and Quality
Perceptions**

Feather (1995) argued that values lead to building up of posi-
tive or negative attitude in a consumer. Self-efficacy is rooted
in social cognitive theory (Bandura, 2012) and proven to act
as an antecedent towards value formation in many studies.
The magnitude of risk perception varies among consumers
due to the difference in their cognitive abilities (Plight, 2014).
Hence risk perception gives rise to different kinds of attitude
in different types of consumers. In the context of CC serv-
cices, the overall evaluation about CC platforms by users have
an impact on CC use (Lee et al., 2016). When users perceive
platforms of CC providers to be facilitating, smooth and
responsive transactions and interactions, their evaluation
about the same will be positive which will encourage them to
participate in CC via building up of a positive attitude
wards the same. Therefore, the following propositions are
postulated from evidences in literature.

The positive (negative) customer disposition towards cus-
tomer value system aspects, risk perception, efficacy in tech-
nology use, and platform quality will have a positive (negative)
impact on customer value and subsequent quality perceptions about CC.

The positive (negative) customer disposition towards cus-
tomer value system aspects, risk perception, efficacy in tech-
nology use, and platform quality will have a direct positive (negative)
impact on quality perceptions about CC.

**Customer Dispositions, Cognitive Complexity, Cus-
tomer Value, and Quality Perceptions**
The variables included in the construct customer disposition
have a relationship with customer value. Cognitive complex-
ity, as discussed, is a multidimensional construct and each
one of the variables in the customer disposition construct
can be influenced by cognitive complexity. Hence, the role
of cognitive complexity is capable of developing moderating
the effect on the predictive power of antecedents and there-
fore following observations are valid.

The positive effect of customer dispositions on customer
value will be stronger (weaker) for lower (higher) levels of
cognitive complexity

The positive effect of customer dispositions on quality per-
cceptions will be stronger (weaker) for lower (higher) levels of
cognitive complexity.

**Customer Dispositions, Psychological Empowerment,
Customer Value, and Quality Perceptions**
Empowerment at the individual level has been termed psy-
chological empowerment, and when extended to customers
it becomes customer empowerment (Zimmerman and Rap-
paport, 1988; Menon, 1999; Brenner et al., 2002). The
variables of value system, self-efficacy, risk perception, and
platform quality relate to the meaning, competency, progress
cues, information, and control elements (Spreitzer, 1995;
Brenner et al., 2002) of psychological empowerment. The
element of meaning relates to the values of an individual
because people assess the task given to them against their
value systems and beliefs (Thomas and Veltthouse, 1993).
Hence, psychological empowerment can moderate the rela-
tionship between customer dispositions and other constructs.
Psychological empowerment can increase or decrease the
cognitive complexity associated with decision making.
Therefore,

The positive effect of customer dispositions on customer
value will be stronger (weaker) for higher (lower) levels of
empowerment

The positive effect of customer dispositions on quality per-
cceptions will be stronger (weaker) for lower higher (lower)
levels of empowerment

The moderating effect of cognitive complexity will be
stronger (weaker) for lower (higher) levels of empowerment and vice versa

**Discussion**

**Theoretical Contributions**
First, the various observations from the review conceptually
illustrate the roadmap to develop favorable quality percep-
tions about CC by envisaging strategies to alter complexity
and empowerment perceptions about sharing of resources
and thus contribute to CC literature. Second, the impact of
moderators on customer dispositions towards value and quality offer insights for designing cues that ensure higher levels of customer involvement in sharing platforms. Third, the possibility of three-way interaction among cognitive complexity and empowerment on customer disposition variables open avenues for future research on ways of manipulating empowerment perception for better customer adoption to CC. Fourth, the observations from the review contribute to existing theories on technology adoption, reasoned action, planned behavior, social cognition, value adoption etc. Lastly, the scope of imparting wellness in collaborative consumption by cultivating empowerment feelings among customers provide a new perspective to the growing domain of transformative service research.

**Managerial Contribution**

The framework contributes to managers in multiple ways. Understanding more about the influence of cognitive complexity would enable firms to understand consumer behavior in CC better. A clear understanding of every construct in the framework will enable the firms to plan the actions that enhance empowerment beliefs for higher customer participation through technological innovations. In specific socio-cultural contexts where customers perceive higher cognitive complexity to make informed decisions due to conflicting value concerns, customer empowerment offers a better opportunity for service providers to become competitive. The observations from the review are logically plausible, even though causal strengths are bound to vary as per the characteristics of the economy.

To make CC services popular among the masses, marketers need to focus on minimizing the cognitive complexity associated with CC. Information availability and past experiences may reduce cognitive complexity significantly, but for novice customers, a more detailed exploration aligned with their empowerment beliefs is needed.

**References**


Compulsive Consumption in the Consumer Journey: Synthesis and a Research Agenda

Fabio Sandes, EAESP

ABSTRACT
Compulsive consumption is a phenomenon that has been studied from different perspectives and with different constructs such as impulsive buying, compulsive buying, and shopping addiction. Even though many facets of this phenomenon is explored in literature, little research has been dedicated to investigating how compulsiveness appears in the buying process, as most of the studies focused on the buying act. One interesting framework is the consumer journey that divides the buying process into three main phases: pre purchase, purchase, and post purchase. This theoretical article aims to identify and present the main topics discussed compulsiveness in the consumer journey, and propose a research agenda with topics that need to be further developed in this relevant topic.

Keywords: compulsive buying, impulsive buying, consumer journey, compulsiveness

Introduction
Released in 2000, Confessions of a Shopaholic became a worldwide hit and in the following years it became a novel series of eight sequel books, and it was adapted to a Hollywood film. This series of novels tell the stories of Rebecca Bloomwood, a journalist that loves fashion and loves shopping. She buys compulsively and this behavior leads her to financially bankrupt and the main plot of the story revolves around her relationship with the addiction to shopping. One possible explanation for the instant and large success of this novel is the identification readers may feel in situations that Rebecca had been through. Shopping addiction has been, in fact, a phenomenon studied in marketing literature since the ‘80s and it had a boom of seminal articles and books published in the ‘90s. It took some time to scholars define the use of the addiction term to shopping behavior. This phenomenon was first studied as a buying impulse (Rook, 1987; Rook and Fisher, 1995), then as compulsive buying behavior—CBB (Faber, O’Guinn, and Krych, 1987; O’Guinn and Faber, 1989), and finally as shopping addiction (Claes et al., 2010; Hirschman, 1992, King 1981).

The concept of consumer journey, created by Court et al (2009) that has been discussed both in professional (Richardson, 2010) and academic (Lemon and Verhoef, 2016) backgrounds showcase that the buying process has changed as “customers now interact with firms through myriad touch points in multiple channels and media, and customer experiences are more social in nature” (Lemon and Verhoef, 2016, p.8). In this framework, the customer experience considers the buying process in three main phases: pre purchase, purchase, and post purchase. The objective of this article is to discuss how compulsiveness may be present in these three phases of the consumer journey. We first present a summary of research about compulsiveness in marketing literature, using the consumer journey framework, displaying the main topics discussed during the three stages of a consumer journey. We then present the methodology used to browse for research studies in the literature about compulsives. We summarized the findings of topics addressing compulsiveness in each stage of the consumer journey, and then present a research agenda suggesting topics that deserve further investigation in marketing literature.

Methodology
In order to assess how compulsiveness has been researched in marketing literature, we conducted an extensive literature review about compulsiveness, considering the three stages in
the consumer journey. As we aimed to discuss how this topic is being addressed in scholastic discussions, we decided to focus our research in Academic journals, taking into consideration only publications that were published in peer-reviewed journals. To be able to perform that kind of filter, we decided to use EBSCO database as they allow us to restrict results from peer-reviewed journals only. We browsed for articles with several keywords, related to compulsive behavior, such as compulsive buying, shopping addiction, couponing, hoarding, among others. Table 1 presented below showcases main keywords used in this browsing stage that returned relevant articles to be explored. As the objective of this study is to address how compulsiveness in being addressed in marketing literature, we excluded articles that were focused on treatments, and other medical related research about compulsiveness and addiction. In the end, we were able to find 808 articles about compulsiveness in peer-reviewed journals that addressed compulsiveness or Addictive behavior. As we did not impose published date filters, we found articles from 1982 until 2018.

The next step was to separate these articles into marketing, behavior or culture related journals, from other fields, like Psychology, Psychiatry, and Neuroscience journals. We found 255 different articles about compulsiveness behavior in marketing, behavior or culture related journals, and focused on analyzing these articles to frame our literature review

Table 1. Articles Related To Compulsiveness Behavior, Found in EBSCO

<table>
<thead>
<tr>
<th>Consumer Journey Stage</th>
<th>Keyword</th>
<th>Non Behavior or Culture related Journal</th>
<th>Behavior or Culture related Journal</th>
<th>Total</th>
<th>% Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre Purchase</td>
<td>Couponing</td>
<td>1</td>
<td>13</td>
<td>14</td>
<td>93%</td>
</tr>
<tr>
<td></td>
<td>Pre Purchase TOTAL</td>
<td>1</td>
<td>13</td>
<td>14</td>
<td>93%</td>
</tr>
<tr>
<td>Purchase</td>
<td>Compulsive Buying</td>
<td>242</td>
<td>77</td>
<td>319</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>Impulsive Buying</td>
<td>19</td>
<td>33</td>
<td>52</td>
<td>63%</td>
</tr>
<tr>
<td></td>
<td>Compulsive Shopping</td>
<td>43</td>
<td>4</td>
<td>47</td>
<td>9%</td>
</tr>
<tr>
<td></td>
<td>Shopping Addiction</td>
<td>30</td>
<td>7</td>
<td>37</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>Purchase TOTAL</td>
<td>334</td>
<td>121</td>
<td>455</td>
<td>27%</td>
</tr>
<tr>
<td>Post Purchase</td>
<td>Gaming Addiction</td>
<td>49</td>
<td>21</td>
<td>70</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Social Media Addiction</td>
<td>49</td>
<td>24</td>
<td>73</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>Binge Eating</td>
<td>27</td>
<td>14</td>
<td>41</td>
<td>34%</td>
</tr>
<tr>
<td></td>
<td>Binge Consumption</td>
<td>14</td>
<td>20</td>
<td>34</td>
<td>50%</td>
</tr>
<tr>
<td></td>
<td>Hoarding Behavior</td>
<td>29</td>
<td>5</td>
<td>34</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Dating App</td>
<td>14</td>
<td>18</td>
<td>32</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>Compulsive Hoarding</td>
<td>24</td>
<td>4</td>
<td>28</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>Binge Watching</td>
<td>3</td>
<td>12</td>
<td>15</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>Compulsive Gaming</td>
<td>9</td>
<td>3</td>
<td>12</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>Post Purchase TOTAL</td>
<td>218</td>
<td>121</td>
<td>339</td>
<td>36%</td>
</tr>
<tr>
<td>Total Geral</td>
<td></td>
<td>553</td>
<td>255</td>
<td>808</td>
<td>32%</td>
</tr>
</tbody>
</table>

Findings

Compulsiveness in the Consumer Journey

The consumer journey is a contemporary framework with three main phases related to consumer experience: (i) pre purchase, when consumers are recognizing their needs, searching for information about a product or service, and pondering the options; (ii) purchase, when consumers choose, order, and pay for their products and/or services, and (iii) post purchase when consumers use, consume, engage with the product or service, generates word-of-mouth, and discard the product.

Pre Purchase

When we research about compulsiveness in this stage we could find studies related to when the savvy shopper, a consumer that is excited when getting a bargain (Schindler, 1989) becomes compulsive, in a phenomenon called Couponing, the habit of collecting and using coupons to get discounts (Bawa and Shoemaker, 1987). This habit has characteristics of addictive behaviors and it has even been the subject of TV reality shows such as “Extreme Couponing” from TLC, including the use of electronic coupons in both brick and mortar and online retail stores (Leva et al, 2016, Dickinger and Kleinjnen, 2008). Couponing in itself is considered a compulsive type of consumption as it is related to the compulsive act of looking for bargains and opportunities.
With the advancement of browsing tools, we expected that consumers would also engage in some type of compulsive searching, but interestingly enough, we had not identified research on compulsive search behavior related to consumer behavior, which might be a gap in the literature about compulsiveness in consumer behavior. Purchase

What are the differences between impulsive, compulsive, and addictive buying behavior? Although this is a simple question, the answer is a bit complex. Rook (1987) aimed to enlarge the understanding of this concept and proposed a broader definition as something that “occurs when a consumer experiences a sudden, often powerful and persistent urge to buy something immediately. The impulse to buy is hedonically complex and may stimulate emotional conflict” (Rook, 1987, p. 191). The continuous occurrence of impulsive buying may lead consumers to a CBB that was first defined as “inappropriate type of consumer behavior, excessive in itself, and obviously disturbing for the existence of individuals who seem to be prone to impulsive consumption” (Faber et al., 1987, p. 132). The situations used by Faber et al (1987) to describe a compulsive shopper resembles the situations that Rebecca Bloomwood, from the Shopaholic novel series: someone who buys “identical sweaters in different colors because he simply ‘has to’ or because ‘I felt good in it,’’ “(Faber et al, 1987, p.132). This compulsive behavior then leads consumers to social embarrassment and “normal activities such as opening the mail or answering the phone take on new meanings. For many compulsive shoppers, there is a constant fear of being confronted by another large bill, or angry creditor” (Faber et al, 1987, p.132). These characteristics are similar in characteristics of addictive behavior.

Hirschman (1992) proposed a general theory to study compulsive consumption. She begins her theory defining five characteristics of impulsive buying: (1) sudden, spontaneous desire to act, (2) psychological conflict between buying and resisting, (3) consumers feeling out of control, (4) a lowering of utility maximizing criteria for product evaluation, and (5) a disregard for negative consequences. Hirschman (1992) suggests that there are two kinds of personality that engage in compulsive consumption: distressed users that aim to compensate negative feelings, such as depressions, anxiety, and sociopathic users that look for gratification, with low levels of regret and guilt. As we can see, there is a mixture of addiction characteristics in the concepts presented above, which challenges our discussion of what are the limits between impulsive, compulsive, and addiction to consumer behavior. Maccarrone-Eaglen and Schofield (2017) highlighted this mixture of concepts in the CBB as they posit that CBB presents both compulsive and impulsive traits and there is no agreement where disorder may be placed. Then they discuss that some scholars consider CBB as an Impulse Control Disorder (ICD): ego-synthetic, consistent with the individual self-perception and with a degree of rational response to external stimulus, while other scholars consider CBB as an Obsessive-compulsive Disorder (OCD): ego-dystonic, inconsistent with self-perception where consumers find a solution to their anxiety by compulsively buying. Building on these arguments, we think that impulsive buying seems to be more connected to ICD, and compulsive buying seems to be more related to OCD. We, then, propose an overall concept of compulsive consumption that may be characterized by both impulsive buyers, and compulsive buyers. When consumers fail to control this behavior and start suffering from it, then they may be engaging in addictive behavior.

**Post Purchase**

This is the stage in the consumer journey where we could find most researches on topics related to different types of compulsiveness in the consumer journey. We can see there are two main research streams: binge consumption and hoarding. The concept of binge consumption is investigated in the Medicine literature, mostly related to alcohol and other substances abuse, such as drugs. Binge eating can be defined as the consumption of a large amount of food, without control (Fairburn and Wilson, 1993) and it has been vastly studied as a way to illustrate consumers addiction (Faber et al, 1995). Besides the consumption of substances, recently we have observed that other types of binge consumption due to the latest advancement of technologies. One example is binge watching, a phenomenon that has also been called “The Netflix effect” (Matrix, 2014) which is the binge consumption of video watching from streaming services. This binge-watching is similar to CBB as it is related to the consumption of episodes of an episode in a compulsive, continuum way. Samuel (2017) explored these contemporary changes in television-viewing habits and concluded that the advent of online streaming has disrupted the television-viewing experience, and Conlin, Billings, and Averset (2016) included in this discussion the presence of a phenomenon called FOMO (fear-of-missing-out), a sort of apprehension that a viewer may feel when they do not watch episodes available compulsively. Flayale, Maurage and Billeux (2017) performed a focus group analysis to investigate the binge-watching phenomenon and realized that participants recognized themselves as addicted to binge-watching content on media online streaming.

Compulsive gaming could be classified as binge consumption because it is related to the act of gaming without control (Kim et al, 2017). Hellman et al (2013) concluded that there
are similarities of compulsive gaming with the core concept and the phenomenon of addiction behavior, but this similarity must be parsimoniously addressed as there is a difference in magnitude with other types of addiction (like addiction to drugs). Other published researches about compulsive gambling treats the topic as addiction behavior, in studies like Kim et al (2017) that characterized Internet Gaming Disorder (IGD) as a loss of control and preoccupation with gaming on a repetitive behavior, and found connections of IGD with obsessive-compulsive disorder, and Han et al (2016) that found a link between excessive gaming behavior and depression.

Another type of binge consumption is related to the advancement of social media use. According to WeAreSocial (2018), there were over 3 billion active users in social media in the world, almost half of the population, with people spending an average of more than 2 hours daily on social media only in countries like the United States of America, Brazil, and Mexico. We could found in our research two types of binge consumption about social media use by consumers: social media addiction and dating apps use. Regarding social media addiction we found that research is more related to addictive components of social media usage. Neumann (1998) in a past century article discussed the possibilities of addiction from computer usage, and the author proposed that, in addition to internet gambling, other areas could develop addiction-related behaviors in consumers, such as online gaming, browsing for products, and chat rooms. Of course, by then, the author could not predict that the chat rooms would evolve to Social Network Sites (SNS) and therefore generate addictive behavior usage. Almost 20 years later, Hormes, Kearns, and Timko (2014) concluded that the use of SNS is potentially addictive, as they investigated that SNS use seems to arise as part of a cluster of symptoms of poor emotion regulation skills that resembles what is found in Addictive behavior. Turel and Osatuyi (2017) discussed the influence of peers in promoting compulsive use of SNS and Sharif and Khanekharab (2017) analyzed if people with identity confusion that are compulsive users of SNS are more prone to engage in online compulsive buying, and the authors found that indeed that is a connection of adolescence, stage of life where identity confusion is more present, with online compulsive buying. A more specific type of Social Media app is the Dating App, that is a geosocial networking application that connects users that are close to each other (Shapiro et al, 2017). Research on Dating Apps usage is usually related to sexual behavior like the use of condom, nonconsensual sex relationships, and relationship expectancies, divided by sexual preferences (Tang, 2017, Griffin, Canevello and McAnulty, 2018), and we also realized they are fairly new. We could not find research about addictive behavior in dating apps, such as Tinder, Grinds, and others.

**Research Agenda**

1. **Pre purchase**: we suggest exploring the binge consumption characteristics in the searching or browsing stage of purchasing. We pointed that there is some research about binge-watching, a phenomenon that became popular with streaming services. We think that this effect could also occur in the browsing stage, something that we can name as a compulsive browser. This can be noticed in streaming services such as Netflix where people spend lots of time looking for options to watch before buying that they end up watching nothing at all. It can also happen with services where searching for products might demand considerable time, and might even never be concluded. Proposal for some research questions: Can consumers binge search for products? What are the impacts of binge searching for the buying process?

2. **Purchase**, an interesting research avenue is the alternative strategies that compulsive buyers adopt to protect themselves from the negative consequences of compulsive buying. Clark and Calleja (2008) posit that addicted consumers’ are more prone to return products as consumers are willing to experience the consumption act per se, suggesting that compulsive consumers tend to pay extra attention in return policies when they buy. We can, then, propose this research question, which may lead to a really interesting discussion: Which and how effective are alternative strategies compulsive consumers adopt to cope with their compulsion?

3. **Post purchase**, we suggest further research on the use of compulsive and addictive use of dating apps, and social media, as well as in binge-watching. These three phenomena are contemporary and deserve further investigation. We suggest research questions such as: what are the impacts of compulsive use of SNS in consumer behavior? Or which are the impacts of binge-watching in the advertising industry?

Table 2 below summarizes the topics related to compulsiveness in the consumer journey that deserves further investigation (highlighted in bold).
Table 2. Topics Related to Compulsiveness in the Consumer Journey That Deserves Further Investigation

<table>
<thead>
<tr>
<th>Pre Purchase</th>
<th>Purchase</th>
<th>Post Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Couponing</td>
<td>Compulsive Buying</td>
<td>Gaming Addiction</td>
</tr>
<tr>
<td>Compulsive Browsing</td>
<td>Impulsive Buying</td>
<td>SNS Addiction</td>
</tr>
<tr>
<td></td>
<td>Shopping Addiction</td>
<td>Dating App Addiction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Binge Eating</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Binge Watching</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hoarding</td>
</tr>
</tbody>
</table>

References


WeAreSocial (2018), Digital in 2018, retrieved from www.wearesocial.com
Gender Role Congruency: Uncovering the Effects of Gender Roles on Advertising Consumption

Greer Alison, University of the Witwatersrand
Marike Venter De Villiers, University of the Witwatersrand
Neo Phiri, University of the Witwatersrand
Tinashe Chuchu, University of Pretoria

Keywords: gender, generation Y, congruency, advertising

Description: The paper investigates the role of gender-based advertising and its impact on consumer’s purchase intention.

ABSTRACT

Gender role congruency in advertising has been widely accepted in establishing relationships with consumers. This research examined the impact of gender role congruency on brand trust and purchase intention. A conceptual model was developed to assess antecedents of purchase intention amongst 306 Generation Y consumers. Marketing implications were established.

References are available on request.
Nudging to Healthy Food Preference: A Research Based on the Goal Conflict Model of Eating

Yanfeng Zhou, Sun Yat-sen University
Ting Zhang, Sun Yat-sen University
Huanhuan Ruan, Sun Yat-sen University
Guang Huang, Guangdong University of Finance and Economics

Keywords: food presentation formats, healthy food preference, restraint eating, eating goal

Description: This research aims at exploring the different effects of food items presentation formats on the menu on consumers' healthy food preference.

EXTENDED ABSTRACT

Research Question
Whether the food presentation formats (text vs picture) influence consumer healthy food preference through different eating goals (hedonic eating goal vs healthy eating goal)? Whether levels of restraint eating will moderate the impact of the food presentation formats (text vs picture) on consumer healthy food preference?

Method and Data
A pretest was conducted to filter optional sets of healthy and unhealthy food items acting as stimulus in the following studies. Based on the pretest, steamed fish, chicken soup, and steamed sweet potato were chosen as healthy food stimulus and baked fish, fried chicken, and fried sweet potato chips were chosen as unhealthy food stimulus. We then conducted three studies to test our hypotheses. Study 1 showed that healthy food preference for picture condition was significantly lower than that of text condition. Study two was aimed to examine the underlying mechanism of the impact of food presentation format on healthy food preference. It showed that food in picture (text) format was more likely to arouse hedonic (healthy) eating goal. Study three indicated that the negative effect of picture format on healthy food preference would be weakened for restraint eating participants. For nonrestraint eating participants, the negative effect of picture format on healthy food preference would be undermined. In the text condition, restraint eating participants presented higher healthy food preference than nonrestraint eating participants. In the picture condition, restraint eating participants showed lower healthy food preference.

Summary of Findings
Compared to food presented in the form of picture, food presented in the form of text will increase healthy food preference. Food presented in the form of pictures will prime the goal of eating pleasure leading to the reduce of the willingness to choose healthy food. The level of restraint eating will moderate the impact of food presentation format on healthy food preference. Specifically, for the restraint eaters, the positive relationship between foods presented in the form of pictures, their hedonic eating goal will be strengthened, while for the nonrestraint eaters, the positive correlation between food presented in picture, and their hedonic eating goal will be attenuated.

Key Contributions
First, our work focuses on the food presentation formats on the menu expanding menu design research. Previous research has studied the position of food display and the effect of food label, but lacking concern on the food presentation format. Second, we shed insight into the psychological underpinnings of consumers’ eating goal. We use E-prime software to test participants’ response time of two different eating goals. Precious research about eating goal
mainly focuses on whether certain food stimulus could prime one kind of eating goal, then using consumer eating behavior to judge whether the eating goal has been primed successfully (Papies and Hamstra, 2010), lacking direct measurement of primed eating goal. We used an innovative way to measure two different eating goals. Third, this research confirmed the moderate effect of the level of restraint eating on the impact of food presentation formats on consumers’ healthy food preference providing insights for the influence of the level of restraint eating on eating norm. Additionally, according to our findings restaurants can use text to present their food on the menu to nudge consumers’ healthy eating choices.

References are available on request.
The Effect of the Fresh Start on Virtue Food Selection: The Mediation of Regulatory Resources

Yu Yu, Sun Yat-sen University
Hongyan Yu, Sun Yat-sen University
Bingcheng Yang, Sun Yat-sen University

Keywords: fresh start, regulation resources, virtue food, vice food

Description: This research examines the effect of fresh start on consumers’ virtue food selection and also explores the mechanism and its boundary conditions.

EXTENDED ABSTRACT

Temporal landmarks can affect people’s psychology and behavior. The start of one period which demarcate the time duration (e.g., New Year, a new semester, the first day after moving to a new house), can motivate people to pursue their goals (Dai and Milkman et al., 2015). The phenomena has been documented as “fresh start effect.” Previous studies suggest that when temporal landmarks indicate a new start, people are more motivated to show more aspirational behaviors and pay more attention to fitness, smoking cessation, education, financial management and other activities to achieve personal goals (Marlatt and Kaplan, 1972; Norcross and Ratzin et al., 1989; Norcross and Mykalo et al., 2002; Dai and Milkman et al., 2013; Peetz and Wilson, 2013). The fresh start relegate past imperfection to a previous mental account and psychologically disassociated with the past self (Dai and Milkman et al., 2015). Price and Coulter et al. (2018) proposed that the fresh start mindset is correlated with customer transformative behaviors. However, research has not examined whether the fresh start can indeed help consumers improve their self-control. We find that the fresh start can facilitate the selection of virtue food instead of vice food and this effect is mediated by regulatory resources.

Research Question
This research investigates whether and how the fresh start affect consumers’ choice between virtue food and vice food. Related research finds that people tend to focus on personal goals (Dai and Milkman et al., 2015) but little research examined the choice when facing with vice food and virtue food and underlying mechanism. How do consumers choose between virtue food and vice food when they get a fresh start? and why?

Method and Data
Study 1 examines whether the fresh start can facilitate virtue food selection. 128 participants were randomly assigned to the fresh start condition or control condition and completed the experiment on Monday or Thursday respectively. They were asked to choose between steamed chicken (virtue food) and grilled chicken (vice food). Chi-square analysis showed that the fresh start had a significant main effect on consumers’ virtue food selection ($p = 0.002$). Compared with the control condition ($n = 63$), the proportion of steamed chicken in the fresh start condition ($n = 65$) was higher ($p_{\text{fresh start}} = 65.1\%$, $p_{\text{control}} = 36.9\%$).

Study 2 examined the effect is mediated by regulatory resources. 132 participants completed the experiment as study 1. They were asked to make a choice between cheese bread and graham bread. Chi-square analysis confirmed the main effect ($p = 0.047$). Mediation analysis showed that regulatory resources mediated the main effect ($p = 0.000$).

Study 3 examined the moderation of social support. 64 participants were assigned to two conditions and were asked to
select food from 3 vice foods and 3 virtue foods and completing the social support scale. An ANOVA analysis reveals that a significant interaction effect between the fresh start and social support ($p = 0.048$) as well as a significant main effect of the fresh start effect ($p = 0.047$).

**Summary of Findings**
Choice between virtue food and vice food involves the struggle between long-term benefit and short-term enjoyment, which often needs self-regulation. This paper explores the impact of the fresh start on consumers’ food selection. Across three studies, we find that a fresh start can help consumers to resist the temptation of vice food and select virtue food. Specifically, participants in the fresh start condition are more likely to choose virtue food instead of vice food than those in the control condition. This effect is mediated by regulatory resources, which help individuals perform better in tasks involving self-regulation.

**Key Contributions**
This research contributes to three domains. First, it contributes to food consumption. This article explores the impact of a contextual factor—the fresh start—on food selection. Second, it contributes to research on the fresh start. This article examines the relationship between the fresh start and virtue food selection. Third, this research first discusses the influence of the fresh start on regulatory resources, and further enriches the research on the relationship between the fresh start as a context factor and individual psychological variable—regulatory resources.

*References are available on request.*
Where Do Consumption Collectives Come From? The Story of Shared Resource Bundles

Matthew A. Hawkins, University of Lorraine
Kubra Canhilal, University of Lorraine

Keywords: identity, collective, community, text analysis, LDA

Description: Using LDA, this work traces the development of the consumer identity research collective thereby offering insights into how collectives develop.

EXTENDED ABSTRACT

Research Question
Where do consumption collectives come from? Multiple types of consumption collectives, a group of individuals exhibiting similar consumption patterns, have been investigated, such as subcultures of consumption (Schouten and McAlexander, 1995), brand communities (Muñiz and O’Guinn, 2001), consumption tribes (Cova, 1997) and taste regimes (Arsel and Bean, 2013). However, the majority of extant studies address collectives that already exist; and, research on collective formation often focus on group dynamics and individual learning thereby prioritizing the individual experience while backgrounding the origin of the collective. Our goal is to provide insights into the origins of consumption collectives based on a Latent Dirichlet Allocation (LDA) study of the “consumer identity” research consumption collective.

Method and Data
We applied LDA topic modeling on over 30 years of published papers (n = 2,815). By conceptualizing the emerging topics as resource bundles and the words composing the topics as resources we are able to trace where key resources came from. This is achieved through analyzing the probabilities of a topic appearing in the journals of six academic fields.

Summary of Findings
It appears that the consumer identity collective arose at the nexus of adjacent fields, in particular sociology, social sciences, and psychology. Each field primarily focused on topics within their field until the early 2000s when an era of convergence or cross-fertilization occurred. Over the proceeding 10 years the consumption collective structuralized. Today, roughly 50% of published articles on “consumer identity” now contain the same resource bundle signaling the emergence of a shared schema and, thus, a consumption collective. Furthermore, the adjacent fields have, more or less, returned to studying topics traditional to the field but with a consumer identity focus. Accordingly, interpreting the thematic analysis under a resourcing perspective shows that consumption collectives arise at the nexus of adjacent fields, where practices overlap. At first, unique resource bundles emerge within existing collectives and overtime these similar resource bundles become shared across collectives. Then, a new consumption collective can emerge.

Key Contributions
This study makes a series of contributions. First, we offer a theoretical account for collective emergence by revealing that a collective emerges at the nexus of resource bundles and schemas of adjacent collectives. Thus, resource bundles and not a single resource facilitate collective emergence. Second, in terms of analyzing practices, we demonstrate that tracing resources and resource bundles can offer insights into practice enactment. Moreover, we show that resource changes not only impact practice enactments within a collective (Feldman, 2004) but also impact the practices of adjacent collectives. Lastly, we provide insights into the history of consumer identity research, as a field of study, and suggest areas deserving further research attention.

References are available on request.
Consumer Well-Being:
Physical, Financial, and Emotional Health

Consumer Well-Being 1
Unlocking the Dynamics of Subjective Financial Well-Being in Retirement
   Teagan Altschwager, Jody Evans
Understanding the Effects of Customer Participation in Financial Services for the Unbanked: A Transformative Service Research Perspective
   Adriana Rivas, Juan Bustamante
Service Breakdown Prevention and Consumer Well-Being: A Mindfulness Perspective
   Yao-Chin Wang, Po-Ju Chen, Carol Megehee, Arch Woodside
Materialism, Emotional Intelligence, and Coping Strategies
   Beata Šeinauskienė, Aušra Rūtelionė, Ligita Zailskaitė-Jakštė, Rosita Lekavičienė, Shahrokh Nikou

Consumer Well-Being 2
Eating Green: The Effects of Attitudes Towards Vegetarian Food and Vegetarian People on Self-Identity and Consumption Behavior
   Mingyue Zhang, Jerome Williams
The Role of Food Quality, Health Consciousness and Price Sensitivity on Fast-Food Purchase Intention: A Comparison of Consumers in Canada and Turkey
   Francis Mumuluh Veuphuteh, Beyza Gultekin
Princesses Eat Cupcakes and Ninjas Eat Pizza: A Quantitative Content Analysis of Food Messages in Children’s Toy Tied Media
   Eric Setten, T. Bettina Cornwell
The Effectiveness of mHealth Applications on Preventive Health Care Behavior and Well-Being
   Silke Bartsch, Christoph Schmitz

Consumer Well-Being 3
A Systematic Review and Meta-Analysis of Customers’ Behavioral Responses to Interpersonal Touch
   Amin Saleh, Louis J. Zmich, Barry J. Babin
Secret-Concealment Instigates Variety-Seeking Behavior in Consumption Choice
   Zhuoyi Fan, Rong Chen, Feng He
Self-Efficacy: Effects on How Patients Choose to Engage in Their Care
   Mary E. Schramm, Tilottama G. Chowdhury, Myra Odenwaelder, Eunice A. Lisk
Unlocking the Dynamics of Subjective Financial Well-Being in Retirement

Teagan Altschwager, Melbourne Business School
Jody Evans, Melbourne Business School

Keywords: retirement, retirement planning, subjective financial well-being, life events

Description: This large qualitative study, comprising of consumer focus groups and key informant interviews, explores the nuances and dynamics of subjective financial well-being that exist for Australian retirees.

EXTENDED ABSTRACT

Research Question
Finance is focal to well-being through all stages of life (Greenberg and Hershfield 2019), and retirement is no exception. However, people are saving less for retirement; while many fear not having money in retirement, this doesn’t convert into savings behaviors (Brüggen et al. 2017). People who are unprepared financially for retirement experience a drop in living standard (Greenberg and Hershfield 2019), as well as decreased life satisfaction, subjective well-being (Yeung 2018), and health (Arber et al. 2014). While Australia is ranked 4th on the Mercer Global Pension Index (Mercer 2018), fear and anxiety still cloud Australian retirees as many are financially ill-prepared for retirement (ASFA, 2017).

Subjective financial well-being (SFW) is an “individual’s self-rating of their income adequacy to meet their general needs” (Arber et al. 2014, p.15), and is argued as a more accurate indicator of an individual’s overall well-being in contrast to objective financial metrics. Research calls for further exploration into the nuances, contexts and dynamics that frame SFW (Brüggen et al. 2017). The purpose of this study is to understand how SFW resonates in the Australian retirement context through addressing the following research question: What unique dynamics exist in retirement that frame an individual’s subjective financial well-being?

Method and Data
The researchers conducted 18 focus groups in 2018 across all Australian States and Territories in metropolitan and regional locations (reflective of national population distribution; ABS 2016). The groups included 168 “near retirees” (who plan to retire within the next 5 years) and ‘recent retirees’ (who have retired within the past 5 years). We also conducted 69 key informant interviews with members of the Australian ‘retirement planning ecosystem’, representing 61 unique ecosystem perspectives (on occasion interviews were conducted with more than one person from the same organization). The ecosystem perspective considers how a community of subjects (firms, government and regulatory bodies, industry bodies, unions, the media) exist within a given environment comprising of various interactions, relationships and interdependencies between them (Pilinkienė and Mačiulis 2014; Frow et al. 2016). In total this produced 995 pages (565,399 words) of textual data.

Open coding was used to capture broad codes and categories before distilling into a smaller number of more comprehensive codes (axial coding), and then formulating themes (Gioia et al. 2013). Consistent with the SFW perspective, results from the focus groups form the central narrative to capture individual perceptions. Key informant insights provide context or reflection on issues contributing to individual perceptions.

Summary of Findings
SFW in retirement has strong emotional and mental associations, potentially more than other phases of life, due to the ‘finite’ nature of retirement and inability to recover from financial instability after leaving the workforce. Financial vulnerability is highlighted, and at times sensationalized, by the media, to the detriment of retirees. Life events (redun-
dancy, health issues, divorce) have a heightened impact on SFW for retirees as they may cause unrecoverable delays or impediments to retirement savings. Furthermore, the dynamic between immediate and anticipated financial well-being is more connected in retirement, as individuals no longer have an income from work. While key informants indicated that from ‘an objective standpoint’ retirees are financially adequate and should not be concerned, this contradicts the perceptions of many retirees who make decisions directed by fear. This divergence exemplifies the importance and impact of subjective financial well-being. The Government aged pension is a key contextual factor shaping SFW for retirees. Although considered somewhat of a safety-net (adequacy of support was debated), individuals felt skeptical of government changes to limit access to the age pension, as well as uncertainty and fear stemming from broader structural changes. Key informants acknowledge and take responsibility for some of these changes.

Key Contributions
Research calls for further enquiry into the relatively underdeveloped topic of financial well-being as a major contributor to an individual’s overall wellbeing (Brüggen et al. 2017; Netemeyer et al. 2018). Research has been “scarce and scattered across disciplines” (Brüggen et al. 2017, p.228), with an emphasis on objective measures of financial well-being (i.e. income). SFW acknowledges a broader and more complex set of criteria, emotions and evaluations contributing to an individual’s sense of financial well-being (Brüggen et al. 2017). This is distinct from income, which does not capture expectation nor adequacy of income for the individual (Arber et al. 2014). SFW is not static and is bounded by cultural considerations; therefore, researchers are urged to explore the nuances, contexts and dynamics that frame SFW (Brüggen et al. 2017). Retirement represents a major life event and a period of great personal transition, with substantial implications for subjective well-being (Luhmann et al. 2012). Therefore, this study explores how SFW resonates in the retirement context. To our knowledge, only one other study has attempted to consider SFW of retirees (Arber et al. 2014) albeit taking a narrow focus on the relationship between self-reported health and SFW (adjusting for income).

References are available on request.
Understanding the Effects of Customer Participation in Financial Services for the Unbanked: A Transformative Service Research Perspective

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Keywords: perceived customer support, interaction with the storekeeper, trust, customer participation, customer well-being, financial empowerment, self-efficacy

EXTENDED ABSTRACT

Research Question
1. What are the key determinants of trust in financial services? Can trust be a trigger for CP? Can CP and financial empowerment positively influence customer happiness?

2. If so, how does this happen?

3. Can self-efficacy (SE) influence the formation of CP and empowerment?

Method and Data
We focused on customers with a savings account in the NB to determine whether having the capacity to save can help customers manage their money better, thus improving their well-being. We selected 12 storekeepers from the NB network in the city of Guayaquil-Ecuador. A total of 312 complete questionnaires were obtained from the 350 total questionnaires distributed. Of the respondents, 61.6% were women and 38.4% were men. We estimated the measurement model with the structural equation model using a maximum likelihood estimator, for that employed the software AMOS v.23. We subjected all measures to confirmatory factor analysis to examine their psychometric properties.

Key Contributions
1. This study develops a conceptual framework in which we analyze how service marketing strategies lead to the creation of customer well-being. This framework is enriched by the inclusion of a novel link to self-determination theory called financial empowerment. Service marketing strategies in financial services imply high levels of CP (Mende and van Doorn, 2015); however, it is essential that elements of relationship marketing such as trust and support be present to nurture CP.

2. This study examines how the interaction effects of SE on trust, financial empowerment, and customer happiness are. This is because the target audience of the research is not usually familiar with financial services. Therefore, users may feel reluctant to the new service as this is not part of their routine, or they may feel unable to use it. As a result, customers are required to have enough self-efficacy to be able to use the service efficiently. Specially, because people tend to avoid activities and situations, they believe exceed their coping skills but easily perform activities in social environments that they believe they are capable of handling. Research on the unbanked could have implications for providers of financial services, which could foster the financial inclusion and well-being of this vulnerable population in developing countries. This specific type of service could reduce the power of illegal actors who take advantage of the lack of options customers have because of their difficulties accessing legal financial services.

Summary of Findings
1. The findings show that interaction with the storekeeper and perceived customer support are the fundamental factors that create trust in a service. These three factors are essential in
the design of financial services for the unbanked and are effective drivers of the cultivation of CP.

2. Financial empowerment plays an essential role in enhancing well-being. The relationship between CP and customer happiness provides insights for the service literature, specifically the idea that financial empowerment is a good mediator between CP and customer happiness. Focal firms should design services in such a way that stimulates CP.

3. The present research shows that customers with high SE require less organizational support to build trust in the service than their counterparts with low SE. Likewise, customers with high SE experience less of a relationship between CP and customer happiness and between CP and financial empowerment.

4. The present study shows that the use of moderating variables may be beneficial because it is likely to reveal the underlying structures of causal relationships.

References are available on request.
Consumer well-being (CWB) is the “state in which consumers’ experiences with goods and services are judged to be beneficial to both consumers and society at large” (Sirgy and Lee, 2006, p. 43). In the service industry, however, service breakdowns may damage CWB, such as a passenger being bloodied and dragged by United Airlines in April 2017 (CNN, 2017) and two black men being arrested at Starbucks in Philadelphia in April 2018 (CNN, 2018). The present study defines service breakdown as a service process that damages CWB, which is different from the definition of service failure as experiencing unsatisfied service performance (McCollough, Berry, and Yadav, 2000). Comparing to service failures, the severity of service breakdown could lead to global boycott campaigns toward service companies, making significant decrease in service firms’ international financial performance. To contribute knowledge of SBP, based on a mindfulness perspective, this study conceptualizes the mechanism of SBP and proposes a framework to explain the relationship between SBP and CWB.

Summary of Findings
To demonstrate the applicability of SBP in the service industry, this study uses three recent cases about SBP from three different companies, including United Airlines, Starbucks, and Marriott International. Based on these three cases, the quality of SBP for these three companies could be ranked from high to low as: Marriott International, Starbucks, and United Airlines. The mandatory “human trafficking awareness training program” launched in Marriott International is a great role model of SBP. This training program is planned by the corporate-level HRM, and has been implemented into different levels of various organizations under Marriott International.

Key Contributions
This study is a pioneer to develop the concept and the mechanism of SBP. Several theoretical implications are contributed by this conceptual research work. First, this study defines the concept of service breakdown, and explained how it differs from service failure. Second, this study proposes the mechanism of SBP as a multi-level effort in a service firm. Third, this study extends the existing application of Buddhist literature in studying mindfulness at organizations. Fourth, this study proposes the relationship between SBP and CWB. This study defines SBP as a continuous mechanism of a service company to prevent the happening of service breakdown by implementing mindfulness in all levels.

References are available on request.

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Materialism, Emotional Intelligence, and Coping Strategies

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Keywords: materialism, emotional intelligence, adaptive cognitive coping strategies, nonadaptive cognitive coping strategies.

EXTENDED ABSTRACT

Research Question
The self-discrepancies’ driven motivation to undertake compensatory behavior may manifest in various coping strategies, which in turn may result in both increased and reduced consumption (Mandel et al., 2017). While well acknowledged that materialistic consumers exhibit a heightened vulnerability to daily events (Richins, 2017), the underlying reasons as to why emotionally sensitive consumers tend to believe in the life-changing power of acquisitions remains under-researched. Not all consumers similarly demonstrate a heightened sensitivity to negative life experiences and tend to resolve the self-inadequacy via preoccupation with possessions, therefore suggesting that the subjective evaluation of stressful events together with the emotional competence may explain the diversity of self-enhancement strategies. The purely subjective appraisal of aversive experiences may result in adaptive or nonadaptive cognitive coping strategies. For example, Gentina, Shrum, and Lowrey (2018) found that both adaptive and nonadaptive coping strategies could be employed to address the loneliness problem. However only nonadaptive coping strategies were found to be related to acquisition based materialism. We address the above research gap by exploring the effect of emotional intelligence and resulting coping strategies on the tendency toward materialism. Our key research questions are: how does emotional intelligence influence the choice of coping strategies and how these strategies, in turn, relate to materialistic inclinations?

Method and Data
We used the questionnaire as a data collection instrument and employed structural equation modelling techniques using Smart PLS software to assess the path relationships in the proposed conceptual model. The dataset comprises of 461 (58% females and 42% males) undergraduate students from Kaunas University of Technology and Lithuanian University of Health Sciences who participated voluntarily in this study (mean age = 20.5 years). To measure the constructs, we used previously established and validated scales. The structural analysis shows that materialism has been explained by the variance of 35%. The mediation test results show that nonadaptive coping strategy partially mediates ($\beta = -0.07, t = 3.25, p = 0.001$) the path relation between the understanding one’s emotion to materialism. We find that nonadaptive coping strategy partially mediates ($\beta = -0.03, t = 1.99, p = 0.05$) the path relation between the management of one’s emotion to materialism. The mediation test results show that adaptive coping strategy does not mediate the path relation between the understanding one’s emotion to materialism. However, we find that an adaptive coping strategy partially mediates ($\beta = -0.04, t = 1.96, p = 0.05$) the path relation between the management of one’s emotion to materialism.

Summary of Findings
In line with prediction, our results confirm that the management of one’s emotions is positively related to adaptive cop-
ing and negatively linked to nonadaptive coping strategies. Similarly, the lower the ability to understand one’s emotions, the higher is the inclination to adopt nonadaptive coping. However, within our sample, the understanding of one’s emotions was not related to adaptive coping style. As expected, we found adaptive coping strategies to be negatively associated with materialism. Correspondingly, non-adaptive coping prone consumers displayed a higher tendency to materialism. Results support the hypothesis that nonadaptive coping strategies mediate the relationship between emotional intelligence (as understanding and management of one’s emotions) and materialism. Consumers low in emotional intelligence demonstrate the higher tendency of engagement into nonadaptive coping which, in turn, promotes materialistic pursuits.

In contrast, adaptive coping strategies were not found to mediate the relationship between understanding one’s emotions and materialism. Such findings imply that the ability to understand one’s emotions is not sufficient in promoting adaptive coping style. Further research based on the experimental design should be conducted to claim causation among constructs.

Key Contributions
Our study contributes to the literature on the underresearch antecedents of materialism within the compensatory consumer behavior framework. This research theoretically grounds and tests the influence of understanding and managing one’s emotions on the choice of cognitive coping strategies, and ultimately, the impact of the latter on materialism. We proposed that higher emotional intelligence results in more adaptive cognitive coping strategies, which in turn lead to a lower degree of materialism. Similarly, we assumed that the poor emotional abilities should lead to the nonadaptive cognitive coping style, further translating into the heightened degree of materialistic aspirations. Research results provide implications for practice suggesting that an increase in emotional intelligence, considered as a learned ability, supposedly may induce the adoption of adaptive cognitive coping, which in turn may potentially contribute to the reduction of harmful overconsumption. Further research should go beyond correlational design to establish the causal sequence by experimentally manipulating emotional intelligence and cognitive coping style.

References are available on request.
Eating Green: The Effects of Attitudes Towards Vegetarian Food and Vegetarian People on Self-Identity and Consumption Behavior

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Keywords: vegetarianism, food consumption, self-identity, attitudes, social benefits

EXTENDED ABSTRACT

Research Question
It is not uncommon to see crazy fans imitating the public behavior of their superstars/ids (i.e., environmental protection), however, such imitation behavior typically last no more than two weeks or a month. Obviously, fans do it not because they feel identify with the issue. So why do people still engage in certain behaviors when they do not self-identify with a particular value on the issue? We assume this is due to the social benefits one could get from doing so. In this case, attitudes towards the issue and subjective norms could hardly explain the situation since attitudes influence one’s self-identity whereas subjective norms describe one’s perception of how salient individuals or groups would react if they engage in the behavior. But the social benefits one expects to achieve reflects how individuals regard the individuals or social groups who already engaged in the behavior: are they an admirable group of people with privileges? Do they enjoy great reputation by doing so?

Method and Data
A survey questionnaire was employed to collect data among over 700 participants. Data were analyzed using the hierarchical multiple regression and structural equation modeling.

Key Contributions
By teasing apart consumers’ attitudes towards the issue itself (i.e. vegetarian food) from attitudes towards people or social group who already engaged in the issue (i.e., vegetarian people), the current research investigated both factors’ effect on consumer self-identity and consumption behavior, the current studies offer a couple of theoretical contributions: First, the current research distinguished one’s attitudes towards people who self-identify with the issue from attitudes towards the issue itself, and demonstrated their independent effects on self-identity and consumption behavior; Second, the present findings revealed a discrepant relation between one’s attitudes towards the behavior-enacting entities and personal behaviors. This finding suggested that consumption behavior, in addition to its symbolic function, was an essential way to distinguish oneself from others despite one’s attitudes towards the group. Third, the current research showed an enhancing effect of attitudes towards the issue itself on consumption behavior in the absence of self-identity. Confirming the overriding effects of self-identity on attitudes, the finding furthered the current understanding of attitudes’ precedent determining effect on self-identity formulation.

Summary of Findings
Results showed that attitudes towards vegetarian food have a positive influence on both self-identity and consumption behavior whereas attitudes towards vegetarian people have an opposite impact on consumption behavior but have no effects on self-identity. Furthermore, attitudes towards vegetarian people’s impact on consumption are significant only among consumers who do not self-identify as a vegetarian. The current research suggested that personal benefits, in comparison with social benefits, accounts more in terms of consumers’ self-identification, whereas consumption behavior was influenced by both dimensions but in the opposite way.

References are available on request.
The Role of Food Quality, Health Consciousness and Price Sensitivity on Fast-Food Purchase Intention: A Comparison of Consumers in Canada and Turkey

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EXTENDED ABSTRACT

Research Question
In recent years, preference for fast food has been on the increase. For example, in the United States of America, fast-food sales constituted only 4% of total sales volume of food consumed away from home in 1953 (Hwang and Cranage, 2015). However, this rate increased to 30% in 1984, 34.5% in 2004 and 36% in 2012 (Hwang and Cranage, 2015). Similar increases have been reported in other countries including Canada (Black and Billette, 2015; Nishi, Jessri, and L’Abbé, 2018) and Turkey (Ozdemir and Ergin, 2017). Apart from demographic factors and lifestyle changes (Kim, Hertzman, and Hwang, 2010), increases in preference for fast food can also be accounted for by the relatively low prices offered in these restaurants (Lee and Ulgado, 1997; Kim et al., 2010).

Although fast food is highly preferred by consumers, food quality in these restaurants has been criticized for assisting customers in becoming overweight or even obese in the long-run (Wie and Giebler, 2014), thereby making them susceptible to diet-related noncommunicable diseases (Stutts, Zank, Smith, and Williams, 2011). Therefore, the aim of this study is to investigate the effects of perceptions of food quality of fast-food products, health consciousness and price sensitivity of consumers on fast-food purchase intentions. Also, within the context of these variables, the study examines whether differences exist between consumers in Canada and Turkey.

Method and Data
In order to investigate the relationships between the research constructs, 2 online surveys were conducted with 147 and 144 college students based in Toronto (Canada) and Ankara (Turkey) respectively. The multi-item scales of measures for food quality, health consciousness, price sensitivity and purchase intention were adapted from previous studies. The data met the conditions for normality, multicollinearity, convergent validity, discriminant validity and measurement equivalence. Using the maximum likelihood technique in AMOS version 23, confirmatory factor analysis revealed that the measurement model fitted the empirical data for both samples from Canada and Turkey. Path analysis was used to test the hypotheses relating to the dependence relationships between each exogenous variable (food quality, health consciousness and price sensitivity) and the endogenous variable (purchase intention). Finally, independent samples t Tests were used to test the hypotheses relating to the differences in means of the research constructs between the samples from Canada and Turkey.

Summary of Findings
Overall, empirical results support the hypotheses testing the dependence relationships within the Canadian based sample. In other words, path analysis shows that food quality and price sensitivity positively influence fast-food purchase intention while a negative relationship was established between health consciousness and fast-food purchase intention in Canada. Similarly, in Turkey, food quality positively influences purchase intention of fast-food products. However, health consciousness and price sensitivity have no effect on fast-food purchase intentions in Turkey.

Furthermore, independent samples t-Tests reveal cross-national differences in the price sensitivity variable. In other words, fast-food consumers in Canada are more price sensi-
tive than those in Turkey. However, no differences were observed in perceptions of food quality and health consciousness levels between consumers in Canada and Turkey.

**Key Contributions**

This research entails two contributions to the extant literature, marketing professionals and policy makers that might be useful in combating the global obesity epidemic. First, we add to the existing literature a novel perspective, namely examining the combined effects of important antecedents like consumers’ perceptions of food quality, health consciousness and price sensitivity on fast-food purchase intention. The relevant literature tends to ignore the important role of price sensitivity on fast-food purchase intention. Accordingly, research on the relationship between consumers’ levels of price sensitivity and their fast-food purchase intention is relatively underdeveloped. In this study, we empirically demonstrate the significant role of price sensitivity on fast-food purchase intention.

Second, we compare consumers’ perceptions of food quality and their levels of health consciousness and price sensitivity from a cross-national perspective. Cross-national comparisons are necessary for global generalizability of marketing theories (Donthu and Yoo, 1998). However, the extant literature seems to ignore such comparisons. Accordingly, no single study was found within the fast-food literature that investigated whether cross-national differences existed in consumers’ levels of health consciousness and price sensitivity. Overall, this study extends existing knowledge of the antecedents of fast-food purchase intention. A better understanding of these antecedents is of substantive importance considering the increasing prevalence of fast-food products in the market although fast food has been criticized for assisting consumers in becoming overweight or even obese. In order to partly address the global obesity epidemic, policy makers and marketing professionals may benefit from a thorough understanding of the mechanism influencing fast-food purchase intentions within the heavy user segment—college students.

*References are available on request.*
Princesses Eat Cupcakes and Ninjas Eat Pizza: A Quantitative Content Analysis of Food Messages in Children’s Toy Tied Media

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Keywords: children, media, streaming, food, toys

Description: This research uses automated text analysis to explore the food messages in 777.7 hours of children's streaming toy tied media and finds significant differences in food messages based on the target audience’s gender and age and the format and funding source of the media.

EXTENDED ABSTRACT

Research Question
While much research explores junk food advertisements as a causal mechanism for the correlation between increased media consumption and increased BMI in children, very little research focuses on the food messages present in children’s media itself. We focus our attention on toy tied media because of observed differences in how food is portrayed in toys that are marketed to girls compared to toys that are marketed to boys.

Our overarching research question is, “What types of food and beverages are represented in children’s toy tied media?” We are also interested in how the frequency of depictions of sweets, fast food, vegetables, and general food vary by the target audience’s gender and age and by the media’s format and funding source.

Method and Data
We use automated text analysis to code food words in 1,635 transcripts of movies and television/streaming serials representing 777.7 hours of toy tied children’s media. The transcripts were obtained either first hand from streaming sites such as Netflix and Amazon Prime, or second hand via fan sites. We created dictionaries for general food terms, sweets, fast food, and vegetables to use with MAXQDA’s MAXDictio automated text analysis functions and coded each mention of words for each dictionary.

We analyzed the data using a negative binomial regression and found significant differences in how frequently general food terms, sweets, fast food, and vegetables appear in toy tied media based on the target audience’s gender and age and the show’s format and funding source.

Summary of Findings
There are significant differences in how frequently different types of food appear in Toy Tied Media based on the gender and age of the target audience, as well as the format and funding source of the show. Here are some of the main findings:

• Sweets appear about 5.6 times as frequently in shows that target girls compared to shows that target boys.

• While fast food terms appear about 1.6 times as frequently in shows that target just boys compared to shows that target just girls, fast food terms appear 4.6 times more frequently in shows that target BOTH boys and girls compared to just boys and 7.4 times more frequently than shows that target just girls.

• General food terms appear about half as frequently in movies as serials.

• Vegetables appear about 2.1 times more frequently in shows that target preschoolers compared to those that target elementary aged children.

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• Vegetables appear about 3.1 times more frequently in shows that are publicly funded compared to commercially funded shows.

**Key Contributions**

The findings show that there is considerable viability in the types of foods portrayed in children’s toy tied media and the frequency with which they appear. Building on cultivation theory, we argue that the potential long term impact of the these types of food messages in children’s media are much greater than the impact of junk food advertisements aired during advertising breaks on cable television.

Based on the findings, we propose that toy and media producers dramatically reduce the amount of sweets in toys and media targeting girls, since these types of foods are shown disproportionately frequently in shows targeting girls. Further, we recommend that third party rating sites such as Common Sense Media, include ratings for food messages in their media content ratings.

*References are available on request.*
The Effectiveness of mHealth Applications on Preventive Health Care Behavior and Well-Being

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Keywords: mHealth, motivation, fitness, prevention, health care

Description: This paper investigates how the design of mHealth applications affects preventive health care behavior and well-being related variables.

EXTENDED ABSTRACT

Research Question
How effective are mHealth applications promoting preventive health care behavior and well-being related variables?

Method and Data
Drawing on expectancy-value theory, social cognitive theory, and self-determination theory the paper investigates how mobile fitness applications could promote self-efficacy beliefs, as well as intrinsic and extrinsic motivation to increase physical activity and further well-being related variables. The authors developed and tested the derived model by collecting data from 450 users of a mobile fitness application. The data was analyzed using partial least squares structural equation modelling (PLS-SEM).

Summary of Findings
The design of mobile fitness applications and their features can contribute to an increase in self-efficacy beliefs as well as intrinsic and extrinsic motivation. Differentiating between the quality and quantity of physical activity, results further show that intrinsic motivation has a positive impact on both the quality and quantity of physical activity, whereas extrinsic motivation merely influenced the quantity of physical activity. Additionally, perceived health status fully mediates the relationship between quality of physical activity and satisfaction with life, whereas no such effect was present for the quantity of physical activity.

Key Contributions
First, we introduce the variable of physical activity and focus on this sole facet of PHCB, because previous conceptualizations of the construct caused serious concern from a measurement theory perspective. Further, we differentiate between the quality and quantity of physical activity as they are hypothesized to be triggered by different types of motivation. Thus, we go beyond previous research on PHCB.

Second, we build a conceptual framework that is not only grounded in self-determination theory, but also in expectancy-value theory and social cognitive theory. Based on recent literature on behavior change techniques, we adapt antecedents of self-efficacy and motivation to the context of mobile fitness applications. Thus, we advance the literature on mHealth and PHCB by providing unique managerial insights for effective mHealth development, as well as insurances and public policy.

Third, we expand our conceptual model to incorporate outcome variables of physical activity related to well-being. Even though previous literature confirms the positive impact of physical activity, we empirically test the link between individuals’ quality and quantity of physical activity, their perceived health status, and their satisfaction with life.

References are available on request.
A Systematic Review and Meta-Analysis of Customers’ Behavioral Responses to Interpersonal Touch

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Keywords: meta-analysis, salespeople, interpersonal, touch, behavior

Description: This meta-analysis shows results from over 30 years of research that indicates consumers generally respond positively to being touch in various business scenarios, however, they respond negatively when touched by other consumers and not employees—there is medium sized positive effect on behavioral outcomes for touch, with a stronger effect for consumers from European countries, some of which are especially known for the high acceptance of touching behaviors.

EXTENDED ABSTRACT

Touch is the least studied sense in marketing research (Peck and Childers, 2008; Krishna, 2011). Our sense of touch, however, plays a crucial role in healthy emotional, social, and physical development and is our earliest and most fundamental form of nonverbal communication (Gallace and Spence, 2010; Field 2010). In general, the nonverbal aspects of interpersonal communication (i.e., “body language) are thought of as important determinates of customers’ evaluations of service encounters, potentially even holding as much weight as their verbal counterparts (Barnum and Wolniensky, 1989; Sundaram and Webster, 2000).

Service providers’ use of touch has been proposed to enhance customers’ perceptions of friendliness and empathy (Sundaram and Webster, 2000). A review of experimental studies on interpersonal touch in business settings can help identify the circumstances under which, and to what degree, positive customer responses occur. In this study, we conduct a meta-analysis to assess customers’ overall behavioral and evaluative responses to interpersonal touch and the influence of study-level differences (moderators) on these responses. This study serves to inform firms on the value and appropriateness of employing a personal touch with their customers and clients, and to provide a guide and empirical point of reference for future research on interpersonal touch.

Research Question

How strong are consumers’ behavioral responses to interpersonal touch? Do consumer behavioral responses to interpersonal touch vary across cultures and business settings? We believe these questions are especially interesting considering that society is moving deeper and deeper into a technological era; an era in which fewer errands and tasks involve human contact, diminishing our exposure to interpersonal touch. What exactly do we stand to gain and what exactly do we stand to lose by losing touch with other people?

Method and Data

We employ meta-analytic procedures, searching several databases, categorizing literature, and extracted data from articles that meet the necessary inclusion criteria to be included in the analysis. The keywords of touch, tactile, haptic, physical contact, consumer, customer, and employee were used to search for works that had been published as of September 2018. The search was set to find articles that contained any of the first four keywords in combination with the latter three anywhere in the text of the article. A total of seven databases were searched: Business Source Complete, PsychINFO, SocINDEX, Emerald Journals, Scopus, ABI/INFORM, and Google Scholar. After collecting relevant articles from the search results, the references of these
articles were examined to identify further studies. A total of 113 experimental studies on interpersonal touch were collected. A final collection of 39 studies (36 of which are field studies) was deemed to be usable for the analysis. From these studies a total 59 effects, some of which are combined effects, were extracted across 8 outcome categories. These studies were published within the time frame of 1979 to September 2017 and had obtained responses from a total of 6348 subjects.

Summary of Findings
As the marketplace becomes increasing global, so too does our understanding of consumers’ behavior responses to different stimuli. One such stimulus that consumers are especially sensitive to is interpersonal touch. Our findings show that results from over 30 years of research indicate that consumers generally respond positively to being touch in various business scenarios, however, they respond negatively when touched by other consumers and not employees. Overall there is medium sized positive effect on behavioral outcomes for touch, with a stronger effect for consumers from European countries, some of which are especially known for the high acceptance of touching behaviors. Interestingly, we did not find a strong influence of many of the study-level differences, such as the gender make-up of the sample. Moving forward, in addition to behavior, consumer attitudes and evaluations could be considered in this meta-analysis as well, as many of the study included evaluations of the toucher and the firm.

Key Contributions
The first contribution of this study is systematic review, spanning over 30 years of literature, and meta-analysis assessing the strength of consumers’ behavioral response to being touched by employees and other customers in various settings: stores, sales, and services. Our second contribution explores how these responses are influenced by study-level differences including the gender and nationality of consumers. Ultimately, our objective is to provide a guide and empirical foundation for the research on interpersonal touch. Such information is valuable to practitioners in today’s global marketplace when developing etiquette training programs for their employees. Such research could be applied to the following scenarios: salespeople being instructed to greet customers with a solid, confident, firm handshake; flight attendants calming anxious passengers with a hand gently resting on their arm; counselors, nurses, and doctors comforting distraught patients with a hand on their shoulder. We also shed light on the state of the research on the sense of touch, which, at least in marketing research, is the least studied of the five senses.

References are available on request.
Secret-Concealment Instigates Variety-Seeking Behavior in Consumption Choice

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Keywords: secrecy, psychological constraint, variety-seeking tendency

EXTENDED ABSTRACT

Research Question
People all have their own secrets, be it a surprising gift for friends, an experience that don’t want to tell others, or an affair that if exposed might ruin one’s trust. People keep secrets in all walks of life (Slepian et al. 2017). They keep them from their friends, partners, family members, and coworkers. However, in the domain of marketing and consumption, prior work has done little to characterize what having a secret is like and the effect of keeping secrets on the choice tendency in consumption (Slepian et al. 2017). Consumers often have consumption-related secrets when doing consumption choice. For example, they may prepare a surprising party or gift for their friends and family members. Despite the prevalence of secrecy, relatively little research has explored the consequences of keeping secrets, especially in the consumption condition.

In the current research, we examine the impact of secret-concealment on variety-seeking tendency, which seems that would be unlikely to be affected by keeping a secret. We propose that secrecy instigates the desire to avoid psychological constraint, even in situations removed from circumstances related to the secret. This need for psychological constraint avoidance in turn leads consumers to be more variety seeking in their consumption activities. Furthermore, we predict that this effect will be moderated by the perceived pressure of secret-concealment. Specifically, we predict that the variety-seeking tendency will be attenuated when consumers perceive themselves have higher pressure when keep secrets.

Method and Data
Our theory is tested through lab experiments. Our findings overall show that the influence of secret keeping on variety-seeking tendency is mediated by the sense of psychological constraint. Specifically, Study 1 examines our basic hypothesis—that is, whether keeping a secret can increase consumers’ subsequent variety-seeking tendency, as compared to the control condition. Study 2 tests the proposed mediator: psychological constraint. In study 2, we also test the role of perceived control and the desire to avoid social attention as a rival explanation for the proposed effect. Study 3 will test the proposed moderator: perceived pressure. We predict that the effect of secrecy on variety-seeking tendency will be attenuated when consumers perceived themselves as having higher pressure.

Summary of Findings
In this paper, we find that keeping secrets can increase consumers’ subsequent variety-seeking tendency in unrelated consumption situations. The effect of secret-concealment on variety seeking is mediated by the sense of psychological constraint. Pressure of secret-concealment moderates the effect of secret-concealment on variety-seeking tendency. The effect of secrecy on variety-seeking tendency can be attenuated when consumers perceived themselves as having higher pressure.

Key Contributions
We contribute to the current research in many ways. First, as the first to investigate the relationship between secrecy and consumers’ variety-seeking tendency and the psychological constraint mechanism driving it. We contribute to the literature in social psychology by showing the effect of keeping a secret that is manifested in the marketing domain, which may apply to consumer behavior, particularly in the area of gift giving (i.e. when consumers are...
intending to keep an upcoming gift a secret). Second, this research extends the variety seeking literature by revealing a novel psychological antecedent of variety seeking. Finally, the current research enriches our understanding of consumers’ variety-seeking tendency to reduce psychological constraint in their product choice. This work is supported by the National Natural Science Foundation of China [grant number 71772104].

References are available on request.
Self-Efficacy: Effects on How Patients Choose to Engage in Their Care

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Keywords: patient engagement, self-efficacy, health orientation, diabetes

Description: This paper explores how patients’ self-efficacy and health orientation impact their choices as healthcare consumers.

EXTENDED ABSTRACT

Research Question
Despite the current focus on engaging patients in their care, little research has addressed the relationship between inherent patient characteristics and how patients prefer to engage in their care. This study asks if patients’ self-efficacy impacts care plan choice when they are given the choice between a less vs. more restrictive care plan. Recognizing that individual self-efficacy varies across situations, health orientation is introduced as a second independent variable to study the combined effect of self-efficacy and health orientation on care plan choice.

Two hypotheses are proposed:

• H1: Individuals with high (vs. low) self-efficacy will intend to participate in less (vs. more) restrictive care plans.

• H2: There is a combined effect of self-efficacy on care plan preference such that high efficacy individuals will prefer less restrictive care plans only when they are also high on health orientation.

Method and Data
The project is comprised of two online studies. Study 1 presented 114 (83 females) participants with hypothetical care scenarios to explore the theoretical connections between self-efficacy and care plan preference for diabetes; MTurk was used to recruit these participants. Study 2 was a field study with 100 (43 females) actual patients who had been recently diagnosed with diabetes and were naïve to treatment. These patients were recruited by a healthcare marketing research firm. Across both the studies participant age evenly varied between 20 and 80 years old.

First, participants were asked about personal health-related information such as their knowledge of diabetes. Second, participants responded to questions to assess their level of health orientation (Dutta and Bergman, 2004). Third, participants’ self-efficacy (Sherer et al., 1982) level was collected followed by a distraction task. Finally, to capture the dependent variable, the survey presented participants with the choice of a less or more restrictive care plan. The less restrictive plan would allow the participant to design a care plan from a menu of activities supplied by the provider. The more restrictive plan’s activities would be defined by the provider. Both options reflected a range of care plan elements typically offered when treating diabetes including counseling, nutrition, support groups, and exercise. Demographic information was collected to complete the survey.

Summary of Findings
For Study 1, logistic regression results showed a significant main effect of self-efficacy on the choice of the less over the more restrictive care plan [Wald statistics = 4.71, p <.05]. There was no interactive effect of self-efficacy and health orientation (p >.5). Thus Study 1 results support H1 and not H2.
For Study 2, logistic regression results showed no significant main effect for self-efficacy \((p > .3)\). However, due to the presence of a marginally significant combined effect of self-efficacy and health orientation on the choice of the less restrictive over the more restrictive plan \([\text{Wald statistics} = 2.74, \ p < .1]\), the result of the interaction and not the main effect was interpreted. Follow-up analyses based on a median-split of self-efficacy and health orientation showed that for the high-self efficacy patients who also possessed high health orientation, 64\% vs. 36\% chose the less restrictive vs. the more restrictive plan. Pearson Chi-square results showed a significant difference \([\text{Chi-square (df = 1)} = 7.67, \ p < .01]\). Thus Study 2 results support H2 and not H1.

**Key Contributions**

The results of this research contribute to the healthcare marketing literature by exploring how patients’ self-efficacy and health orientation impact their choices as healthcare consumers. Matching the plan to the patient has important healthcare service delivery outcome benefits such as greater patient engagement, improved care plan compliance, and patients’ satisfaction with their care—all of which have the potential to improve patients’ well-being. The results suggest the importance of expanding clinical assessment of those newly diagnosed with diabetes to include an evaluation of patients’ self-efficacy and health orientation to help the provider determine the most effective treatment approach for the patient.

*References are available on request.*
Data Collection and Analytics: Marketing Research, Methods, and Analysis

Data Collection and Analysis I

How to Capture Model (Mis-)Specification in Structural Equation Modeling

_Nadine Schröder, Andreas Falke, Herbert Endres_

The Influence of Model Size on the Estimation Accuracy of Estimation Methods in Structural Equation Models with Ordinal Variables

_Andreas Falke_

Developing Analytical Capabilities in Marketing: Challenges Associated with Usage of Unstructured Data

_Valeriia Chernikova, Johanna Frösen_

Data Collection and Analysis II

Leveraging Business Analytics to Support Marketing Decisions in Healthcare Industry

_Kessara Kanchanappoom, Jongsawas Chongwatpol_

Big Data Analytics in the Context of Airbnb: A Personality Analysis Approach Based on Text Mining

_Murat Acar, Aysegul Toker_

Seamless Integration of Primary and Secondary Data in Marketing Research: Benefiting from Management Information Systems’ Evolutionary History

_Ravi Parameswaran_

Retail Technology Acceptance Model for Online at Offline (O@O): Comparing Different Generations of Data Analysis Techniques

_Sookhyun Kim_
How to Capture Model (Mis-)Specification in Structural Equation Modeling

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Keywords: simulation, model misspecification, structural equation modeling, fit criteria, construct validity

EXTENDED ABSTRACT

Research Question
How well can fit and construct validity criteria capture misspecified models and which combination of fit and construct validity criteria is the best to detect misspecified models while retaining many correctly specified models?

Method and Data
Data are generated by means of a comprehensive Monte Carlo study. We use 7 experimental factors (misspecification severity, location of misspecification, number of exogenous constructs, number of endogenous constructs, average number of items per construct, sample size, and average indicator loading per construct) and consider 3,060 different constellations. In total, we arrive at 153,000 models.

Key Contributions
Our study provides three main contributions to advance prior work on model specification assessment. First, we aim to systematically investigate two types of misspecification simultaneously, i.e., severity and location of misspecification, and hence shed light on the controversially discussed assessment of model fit. We reveal that currently recommended fit criteria retain different proportions of correctly specified models and still include many misspecified models. This is a new insight for marketing and applied researchers because similar studies focused only on a specific form of misspecification or did not address the degree of correctly specified models (e.g., Fan and Sivo 2007; MacKenzie et al. 2005). Second, we use a more comprehensive Monte Carlo study than earlier research in this field (e.g., Hu and Bentler 1999; Kenny, Kaniskan, and McCoach 2015) because we simulate all parameters of the model. Moreover, in contrast to most earlier simulation studies, we also emphasize the importance of model size as an influencing factor on fit criteria and model specification to make our findings more generalizable. Third, we analyze combinations of fit and construct validity criteria to reveal their coverage rate of a model’s specification including misspecified and correctly specified models. By combining “T1Opt” and “T2Opt” applied researchers can better classify their model as correct or incorrect.

Summary of Findings
This study is a comprehensive and systematic investigation of both model fit and construct validity criteria on model specification under various experimental factors. The major findings of this study are threefold. First, our study proves that no common combination of fit indices can capture model specification very well. Second, our results reveal that the combination “T1Opt” of the fit indices RMSEA, SRMR, CFI, TLI, and the [endif] test together with the combination of Cronbach’s alpha and FL discriminant criterion captures model specification better than existing fit criteria. Third, due to our simulated levels of model size factors, we can conclude that “T1Opt” is particularly important for smaller models because it approves less misspecified models than existing criteria combinations for these models. Finally, researchers have now an improved understanding and a greater knowledge about the accuracy of criteria combinations.

References are available on request.
Research Question
How well do different estimation methods perform under several model size conditions in structural equation models with ordinal variables?

Method and Data
Data are generated by means of a comprehensive Monte Carlo study. The Monte Carlo study is more comprehensive than earlier research in this field (e.g., Hu and Bentler 1999; Kenny et al. 2015; Marsh et al. 2004) because it (a) differentiates between exogenous and endogenous constructs, (b) simulates all parameters of the model, and (c) generates the model’s true coefficients for every respondent and therefore the researcher has complete control over the relationships simulated. Furthermore, the estimation error is split into three different errors, the overall estimation error, the estimation error among path coefficients, and the estimation error among factor loadings.

Key Contributions
The paper differs from the extant literature on structural equation modeling simulation with ordinal variables in three important aspects. First, this study simulates the values of each artificial respondent individually. This way, the simulation is closer to the real data collection process. To the knowledge of the author, no other simulation study tried to accomplish this.

Second, model size is split into three different experimental factors: the number of exogenous constructs, number of endogenous constructs, and the number of items per construct. This way, researchers can get a detailed picture on the impact of different model sizes on the accuracy of different estimation methods. Prior studies (e.g., Li, 2016) often use a fixed model. If model size is used as an experimental factor, than it is usually a single factor. For instance Bandalos (2014) used the general model size. Reinartz et al. (2009), on the other hand, used the number of items. An exception is the recent study of Shi et al. (2018). The authors differentiate between the number of items and the number of constructs. As a third distinguishing aspect, this study also considers construct reliability as an influence on estimation accuracy. Most of the time, studies use factor loadings as experimental factor (see, e.g., Reinartz et al., 2009) and do not analyze if the resulting constructs vary in their reliability.

The study also provides guidance to marketing and applied researchers in form of a guideline for choosing the appropriate estimation method, if path coefficients (e.g., in structural equation models), factor loadings (e.g., in confirmatory factor analyses) or both are important.

Summary of Findings
The results reveal that the estimation error of different estimation methods highly varies dependent on model size. In very small models, ML and GLS outperform any other estimation method. When the model size increases, other methods perform better. DWLS-cat is among the best estimation methods most of the time, but for the majority of models, other estimation methods perform as well as DWLS-cat. For larger models, ULS (ML) can be a viable alternative if path coefficients (factor loadings) are of the essence for the researcher.

References are available on request.

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Developing Analytical Capabilities in Marketing: Challenges Associated with Usage of Unstructured Data

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Keywords: unstructured data, marketing analytics, analytical capabilities, decision making

Description: This is a qualitative study aims to generate deeper insights into the practice of using unstructured data in marketing, focusing on challenges which can prevent companies from developing necessary capabilities required to use such data in marketing decision making.

EXTENDED ABSTRACT

Research Question
This study generates deeper insights into the practice of using unstructured data in marketing decision making by analyzing key challenges associated with usage of such data. More specifically, this study addresses the following research questions: What challenges do marketing managers face when using (or attempting to use) unstructured data to support their decision making? What are the main stumbling blocks related to unstructured data that prevent development of analytical capabilities in marketing?

Method and Data
The study relies on eleven in-depth qualitative interviews with marketing professionals representing international consumer goods companies in Northern Europe, selected through purposeful sampling. All interviews were recorded, transcribed and complemented with field notes. The interview transcriptions and field notes were managed electronically with a help of QSR International’s NVivo software. The interview transcripts were reviewed, summary notes made, and thematic analysis performed in accordance with guidelines introduced by Miles and Huberman (1994). First, data was organized into first-order categories (codes) and compared between sources; and then, significant categories were developed into second-order themes. As a result, the study develops a taxonomy of three categories of challenges, also pointing to potential approaches for overcoming them.

Summary of Findings
All informants reported several challenges associated with unstructured data, which are primary causes of hesitance towards usage of such data in marketing decision making. Based on the data analysis, these challenges were grouped into three distinct categories: challenges related to (1) data and tools, (2) managerial capabilities, and (3) organization. The first group of challenges concerns overwhelming amounts of irrelevant data, inability to access certain data, as well as limitations of current analytical tools. Challenges associated with managerial capabilities relate to lack of analytical capabilities, resistance to changes in profession of marketing managers as well as limited awareness about available analytical tools. Finally, organizational challenges include those related to development of a data-(analytics-) driven decision making culture to motivate all members of the organization to engage in data-based decision making, as well as inefficient sharing of data.

Key Contributions
First, this study represents a first attempt to systematically map the challenges preventing managers from integrating available market data into decision making. Second, in addition to the data- and tools-related challenges as well as the skills-related challenges already identified in the literature (e.g., Malthouse et al. 2013; Lee 2017), findings of the present study further point to challenges related to organization as a separate category. Third, the study sheds light on chal-
Challenges specific to the consumer goods industry, one of the pioneering industries investing in marketing analytics (The CMO Survey 2018). These challenges include, for example, absence of a systematic approach of working with data coming from different sources as well as shortage of (qualitative) information sharing between different brands, marketing teams, departments as well as markets under one regional organization unit such as the Nordics.

For managers, the present study points to diverse challenges related to the use of unstructured data within and outside the power of their influence. Furthermore, it highlights the need to simplify sharing of data between different parties and to introduce centralized data management functions supporting this process.

*References are available on request.*
Leveraging Business Analytics to Support Marketing Decisions in Healthcare Industry

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Keywords: business analytics, customer lifetime value (CLV), RFM, cluster analysis, data mining

Introduction
The importance of big data and analytics has grown tremendously in many areas from the domain of retail management and social media marketing to operations management, process improvement, logistics, and supply chain management and has drawn attention in both academic and business communities over decades supply chain management (Stubbs, 2014). Specially in the customer relationship management (CRM), many organizations strive very hard to build long term and profitable relationships with their customers by gaining insight into the behavior of their customers, offering products and services that are relevant to what customers need, understanding their values, and retaining customer loyalty (Chang, Wong, and Fang, 2014). Most literature has developed around the concept of CRM by changing the focus of the organizations from products and services centric to customer centric (Kim, Suh, and Hwang, 2013). The performance of CRM practices for the modern marketing paradigm depends on how an organization can accurately identify and retain its loyal customers, those who value the relationship with the organization enough to make it a preferred choice (Reinartz and Kumar, 2002).

Fortunately, existing information technology has the capability to handle, manage, and support customer data effectively and efficiently. Business analytics is one of the application areas of growing importance in supporting marketing decisions. The core concept of business analytics is to use analytical techniques to describe, explore, and analyze large and complex dataset that requires advanced data storage, management, and visualization technologies (Chen, Chiang, and Storey, 2012). Gartner identifies four types of analytics capability which help enterprises move from traditional descriptive analytics to advanced diagnostic analytics, predictive analytics, and prescriptive analytics by answering the following four questions: what happened?, why did it happen?, what will happen?, and how can we make it happen? (Rivera and Meulen, 2014). Davenport (2006) presents the value of business analytics especially in not only understanding what customers want, how much they are willing to pay for the products and services, what keeps them loyal to the organizations but also building competitive strategies and extracting maximum value from their business processes (Davenport, 2006).

However, many organizations still do not maximize their capabilities to turn the data collected from their customers into actionable insights for better marketing strategies. In fact, the traditional descriptive analytics and conventional regression analysis are mostly employed to monitor the key performance indicators related to their loyal and potential customers. How can business analytics facilitate better marketing decisions, especially in assessing customers’ values and offering the right products and services to the right group of customers based on their purchasing behavior? This study seeks to fill this gap and outline an integrated framework for understanding the potential and loyal customers. The framework consists of three main themes: (1) customer lifetime value estimation, (2) RFM and cluster analysis, and (3) advanced analytics through data mining approaches. Our framework is then validated in the context of complementary and alternative medicine (CAM) in the healthcare industry. CAM is a category of diverse medical and healthcare systems, practices, and products that are not generally considered part of conventional medicine, where “complementary” refers to treatment used together with conventional medicine and “alternative” to treatment used in place of conventional medicine (National Center for Complementary and Alternative Medicine, 2011). Although we demonstrate our framework in the context of CAM-
Business Analytics Framework for Marketing Decision

Figure 1 presents a business analytics framework applying various mathematical models and data mining techniques to estimate customer values, to segment customers into sub-groups that share similar characteristics, and to explain and predict customers that are likely to respond to the campaigns offered.

- For the first theme, customer lifetime value (CLV) is used as one of the key performance indicators to measure the value of customers over their entire lifetime (Wyner, 1996).

- The second theme focuses on RFM and cluster analysis focusing on behavioral segmentation. RFM is one of the most popular techniques used to discover customers’ characteristics based on the three metrics: Recency, Frequency, and Monetary value of the purchase (Cheng and Chen, 2009; Dean, 2014; Jackson, 2002). Cluster analysis is performed to discover distinct groups in the customer base using K-Mean clustering method (Turban, Sharda, and Delen, 2011). The k-Means algorithm has been widely used in market segmentation because of its ability to identify distinct clusters in a dataset with multiple variables (Jackson, 2002; SAS, 2012; Turban et al., 2011).

- The third theme employs more complex analytical models using data mining techniques to explain and predict the relationship between the predictor variables and the target variable. Three popular classification techniques (decision trees, stepwise logistic regression, and neural networks) are used in this study. For a technical summary, including both algorithms and their applications for each data mining technique, see Refs (Jackson, 2002; Turban et al., 2011). The predictive models are developed using SAS® Enterprise Miner™.

The data used to validate our analytical framework is collected from a CAM clinic in Bangkok, Thailand, called the Panacée Medical Center. The Center provides the holistic medical services, rehabilitation, and healthcare for the entire body at the cellular level. The focus is on the treatment of diseases such as diabetes, hypertension, Parkinsons, Alzheimers disease, autistic disorders, and diseases caused by cell degeneration (http://panacee.com/en/our-services-2/our-services/).

Customer Lifetime Value Model

The simplest CLV model is based on the concept of net present value (NPV), which considers the expected net cash flow from the customer over time in order to calculate the present value of that cash flow (Berger and Nasr, 1998). One basis assumptions of generally accepted accounting principles (GAAP) assumes that the business will be in operation indefinitely (Label, 2013). According to the concept of geometric series (Larson and Hostetler, 2007), the calculation of CLV is as follows, where discount rate \( d \) and margin \( m \) are assumed to be constant throughout the customer lifetime (infinity, \( \infty \)). According to the infinite series:

\[
\sum_{t=0}^{\infty} r^t = \left( \frac{r}{1-r} \right)
\]

\[
\sum_{t=0}^{\infty} r^t = \frac{r}{1-r} \quad \text{when } |r| < 1; \quad r^\infty = 0
\]

\[
CLV = \sum_{t=0}^{\infty} m \left[ \frac{r}{1-r^t} \right]
\]

\[
CLV = m \left[ 1 + \left( \frac{r}{1-r} \right) \right] = m \left[ 1 + \frac{1+d}{1-d} \right] = m \left[ 1 + \frac{1}{-d} \right]
\]

This scenario focuses on two types of customers. The first group periodically purchases treatment program over a long period of time; meanwhile the second group purchases a bundle package of several different treatment programs at a time such as 10 Meyer’s cocktail therapy courses along with vitamins, detox or supplements and retains its loyalty with the company. Both groups are females 40 years old and older and are Thais and medical tourists—mostly Chinese and Middle Easterners. Due to the physical condition early in the middle age, their life styles are health-conscious. With the discount rate at 8% and the average margin at $700 annually, the CLV can be estimated as follows. The discount rate and average margin are assumed to be constant throughout their lifetime.

\[
CLV = \sum_{t=0}^{\infty} \frac{m}{(1+d)^t}
\]

\[
CLV = $700 + \frac{$700}{(1+0.08)^2} + \frac{$700}{(1+0.08)^3} + \frac{$700}{(1+0.08)^4} + \cdots + \infty
\]

\[
CLV = ($700) \left( 1 + \frac{1}{0.08} \right)
\]

\[
CLV = $9,450 per customer
\]

RFM and Cluster Analysis

Table 1 summarizes the results of RFM and cluster analysis focusing on different factors including gender, age, recency, frequency, monetary value. For the RFM analysis, Recency
(R) of the last purchase refers to how long it has been since a customer purchased a product or service with the company. The shorter the time, the lower the (R). Frequency (F) of purchases refers to how often a customer places orders with the company within a particular period. The higher the number of transactions, the bigger the (F). Monetary value (M) of the purchases refers to the amount a customer spends within a particular period. The higher the amount spent, the bigger the (M). Briefly, RFM method scales RFM attributes into 5 equal bins that are assigned the codes 0, 1, 2, 3, and 4 by ascending order; the range of each bin is (almost) equal to 20% of all customers. RFM Score is then calculated based on the following formula.

\[
RFM \text{ Score} = 100*(5 - \text{Recency}) + 10*(\text{Frequency} + 1) + (\text{Monetary}+1)
\]

Here are some of the key findings. Customers in RFM group “551, 552, and 555 (R = 0, F = 4, and M = 4)” seem to be the best customers: they have bought most recently, most often,
and spent the most with the respond rate of Myer’s Cocktail campaigns at 88%, 100%, and 68%, respectively. Customers in RFM group “111” (R = 4 F = 0, and M = 0) are less attractive. It has been a long time since they last purchased. Additionally, they spent little and purchased only a few times in the past.

The results of cluster analysis are relatively reasonable classified customers into four groups. For instance, Cluster #1 comprises 161 female and 125 male customers with an average age of 44 years old and an average customer lifetime value of $8,325. Customers in this cluster have about 20% chance to respond to the Myer’s Cocktail Campaign. Customers in Cluster #4 have a higher chance to respond to the campaign at 58%. This group is considered “Loyalty-Value” customers with a relatively high CLV at $37,281.

**Predictive Models**

As presented in Figure 1, the data used to build the models to predict customers that are likely to respond to the Myer’s Cocktail campaign (Target Variable “Y”) can be classified into nine groups: (1) demographic information, (2) lifestyle, (3) health-related information, (4) family-illness information, (5) CLV, (6) products and course therapies, (7) marketing-related promotions, (8) marketing channels, and (9) market-basket association rules.

Based on the decision tree model, for instance, customers whose CLV value is more than $29,000, who purchase both ozone therapy and N-acetylcysteine (Nac) therapy, have never purchased any liver detox courses, and have hypertension illness, have the 67% chance to respond to the Myer’s Cocktail Campaign. A marketing analyst is then able to use analytical results of a promotional “Myer’s Cocktail” campaign to sort its customers into subcategories. The first group of customers is dominated by those, who are most receptive to the campaign offered, while customers in the second group are not likely to buy the product featured in the promotional campaign.

**Conclusion**

The need for business analytics is apparent in both strategic and managerial levels to analyze customer data for timely marketing decisions. The analytical framework presented in this study focuses on understanding the customer lifetime value, identifying distinct customer segments using RFM and cluster analysis techniques, and building models to explain and predict customers who are likely to respond to the campaign. It is hoped that this study provides a guidance for the development of business analytics to support marketing decisions. Once the framework is integrated into the enterprise systems, the next step is to ensure that top man-
agement and business analyst have the same perceptions of the benefits of utilizing the collected data for strategic insights and continue to provide support and keep track of these key performance metrics.

**Reference**


Big Data Analytics in the Context of Airbnb: A Personality Analysis Approach Based on Text Mining

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Keywords: big data, personality analysis, text mining, sharing economy, Airbnb

Description: This study covers the personality traits of sharing economy consumers that are derived from the user-generated content in the context of Airbnb using an artificial intelligence application.

EXTENDED ABSTRACT

Research Question
Data-driven marketing has given rise to the search for new data sources to extract valuable insights. Researching consumer behaviors through data of segments like demographics and transactions is now obsolete since the idiom of “you” has become popular in marketing phenomena, especially in sharing economy. Airbnb is one of the disruptive examples where guests (i.e., consumers) and hosts (i.e., suppliers) reside in the humanization of the consumer-supplier relationship under a new form of a contractual agreement. This service context offers a great opportunity to analyze user-generated content like guests’ textual reviews on the hosts’ listings (i.e., rooms or apartments) upon the service encounters. Our main goal is to extract Airbnb guests’ Big5 personalities using their personal texts by utilizing an artificial intelligence application. The research question is formulated as follows:

What are the different personality traits of sharing economy consumers that can be derived from user-generated content in the context of Airbnb?

Method and Data
IBM Watson Personality Insights AI application is a cutting-edge tool for personality analysis by using social media, enterprise data, or other digital communications. This tool resides on the commonly accepted hypothesis that human language implicitly reveals personality. With a vector representation of the words in the input text, the application employs a machine-learning algorithm that outputs a personality profile with the following Big5 dimensions:

• Agreeableness dimension
  –Facets: Altruism, Cooperation, Modesty, Morality, Sympathy, Trust
• Conscientiousness dimension
  –Facets: Achievement-striving, Cautiousness, Dutifulness, Orderliness, Self-discipline, Self-efficacy
• Extraversion dimension
  –Facets: Activity-level, Assertiveness, Cheerfulness, Excitement-seeking, Friendliness, Gregariousness
• Emotional Range dimension
  –Facets: Anger, Anxiety, Depression, Immoderation, Self-consciousness, Vulnerability
• Openness dimension
  –Facets: Adventurousness, Artistic interests, Emotionality, Imagination, Intellect, Liberalism

We collected the Airbnb guests’ textual review data from 45 cities all around the globe including 9,982,450 distinct reviews written in 74 distinct languages. In the data set, there are 7,264,026 distinct reviewers across 417,395 distinct listings. Two top review languages are selected: English and Spanish. After the exclusion criteria due to the word count threshold of Personality Insights tool, our final dataset

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includes 512 guests having 1500+ words across all listings with a clear language as per the data quality analysis.

**Summary of Findings**

For each request, Personality Insights application reports a normalized score as a percentile (value between 0 and 1) for each Big5 personality dimension and facet, which is based on the qualities that the application infers from the input text. For all the results, we used the following criteria as shown by IBM researchers in the Personality Insights documentation:

- A percentile score at or above .75 is considered as high. Any score above the mean of 0.5 indicates an above average tendency of our sample for a characteristic.
- The reverse statements are true of scores below .50 and .25, which are considered as below average and low respectively.

Since we wanted to know how Airbnb guests’ characteristics compare with a large population, we used the normalized percentile scores instead of raw scores. We graphed the percentiles for 512 guests within a histogram for all the personality traits. We calculated the mean, standard deviation and variance measures for the normalized scores of application’s outputs. The statistically significant results include that Airbnb guests score high in altruism, cooperation, sympathy, trust, cautiousness, dutifulness, activity-level, extraversion, artistic interests, intellect, liberalism, and openness. On the other hand, they score low in Excitement-seeking, gregariousness, anger, and self-consciousness.

**Key Contributions**

“Understanding and knowing consumers themselves” has become more important than “Predicting and knowing more about consumers” in marketing analytics. The psychology of consumer behavior implicitly precedes the acquisition of consumers’ relevance in multichannel digital marketing. Psychographic or psychologically-personalized marketing that utilizes AI and Big Data might be a game changer in today’s human-centered engagement models and disruptive innovations where experience is at the center. In this study, there are pioneering implications for travel and service marketing researchers to reveal traveler personalities inferred from user-generated content in SE Airbnb service context. Linear combinations of personality scores might be used to come up with distinct organic behaviors of consumers (i.e., associations between separate psychological traits). As Yoo and Gretzel (2011) reported, the influence of personality on travel-related user-generated content creation can be further researched from this study’s point of view.

References are available on request.
Seamless Integration of Primary and Secondary Data in Marketing Research: Benefiting from Management Information Systems’ Evolutionary History

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Keywords: marketing research, seamless integration of primary and secondary data, marketing research’s evolutionary history, management information systems’ evolutionary history

Description: Inspired by management information systems’ evolutionary history, this conceptual submission traces how the discipline could effectively and seamlessly integrate primary and secondary data in marketing research.

EXTENDED ABSTRACT

Research Question
Scientific marketing research is almost a hundred years old. During this time, it has blossomed into a very mathematically and statistically rigorous discipline, an exemplar and envy to research methodology in most other business disciplines. But because of the environment in which it evolved in its early years without the benefit of a strong information technology revolution witnessed only in the later third of the twentieth century and because of the trajectory that its pioneers chose for it, primary and secondary aspects of research are not seamlessly aligned.

How can the discipline of marketing research, in its second century, rectify this problem? The discipline of Management Information Systems (MIS), which benefited from a later evolution while the information technology revolution was in full bloom, may point the way to seamlessly integrate all data in marketing (primary/secondary, exploratory/traditional/big data) by exploiting the unique character of all marketing data—they are attributes of consumer, products/services and the interaction between them.

Summary of Findings
By laying the history of both the marketing research and the management information systems disciplines side by side, we are conceptually able to demonstrate how the marketing research discipline can benefit from the experiences of management information systems. Using the developmental track of the MIS discipline (most notably the development of Entity Relationship (E-R) modeling, Enhanced E-R modeling, and Object-Oriented modeling), we conceptualize what we term the domain knowledge integration paradigm, to seamlessly integrate all data (primary and secondary; exploratory/traditional/big) in the marketing domain. It is our opinion that this will lead to greater efficiencies in marketing research while building on its already strong statistical and mathematical foundation.

Key Contributions
Among the key contributions of this domain knowledge integration paradigm conceptualization are:

1. a standardized schema for classifying all marketing data, defining marketing data in terms of their elemental entities, their attributes (and the meta attributes) and their relationships (along with their attributes and meta attributes) regardless of the source of the data,

2. the better integration and comingling of primary and secondary data in marketing decision making,

3. a data encyclopedia that could evolve into a universal data exchange (analogous to a financial stock exchange) for the entire marketing knowledge domain,
4. reconstituting data clusters (say, all related data collected in single marketing research study) into their elemental components and presenting them (at the elemental level) in the data encyclopedia and universal data exchange—thereby potentially spawning a more dynamic data reuse industry. While contemporary marketing research practice has traditionally marginalized the reuse of data, the current technological evolution in internet applications has spawned the need to find new uses for existing information and data reuse, and

5. more sophisticated data mining and beneficiation; and better data fusion capabilities.

References are available on request.
Retail Technology Acceptance Model for Online at Offline (O@O): Comparing Different Generations of Data Analysis Techniques

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Keywords: data analysis generations, PLS, regression, retail technology, retail technology acceptance model

Description: Different results from two generations of data analysis techniques suggest the different factors affecting consumers’ technology acceptance behavior.

EXTENDED ABSTRACT

Research Question
This study examines consumers’ retail technology acceptance behavior with regression and PLS analysis techniques and compares the results from these two different data analysis techniques. A type of data analysis technique employed for a study has been a researcher’s choice of preference. However, depending on the data analysis techniques, the results of a study might be different. Few research has proposed which technique is more suitable over the other for a certain subject to guide researchers’ selection on data analytics techniques. This study employs two different statistical analysis techniques (i.e., Regression and PLS), whose objective is the same as to reject hypotheses with high R-square and t-values, to test the same conceptual model and observe any differences and similarities in results. In addition, few research has examined whether consumers are ready to accept and use the new technologies, which could offer consistent online shopping experience at offline stores (i.e., O@O). This study examines consumers’ intention to accept/reject the retail technologies and identifies factors that affect their acceptance behavior.

Method and Data
This study is a quantitative research with a survey method. A total of 315 surveys were used. The researcher selected the significant variables found from the original and extended Technology Acceptance Models, which are consumers’ traits/shopping orientations, consumers’ evaluation of a technology, consumers’ attitude towards a technology, and intention to use of a technology. Consumers’ traits/shopping orientations include their level of subjective norm, innovativeness, need for interaction, and benefit sought (i.e., benefits: fashion, brand, price, quality, information, time, personality, convenience). Consumers’ evaluations of a technology includes usefulness, ease of use, compatibility, and risk reduction in price, product, convenience and security. This proposed model examines the hypothesized directional relationships between the variables. The retail technologies selected to examine consumers’ acceptance behavior are Wi-Fi, face recognition sensor, augmented reality, virtual reality/Google glass, mobile application for styling help, interactive touch screen, 3D hologram/printer, and smart shelves/QR code. For each technology, the proposed relationships were tested with regression analysis first. Then, SmartPLS was run to test the same relationships to compare the results from regression analysis.

Summary of Findings
Post Hoc mean comparison shows that Wi-Fi receives significantly higher scores than other technologies in all variables in the proposed model (i.e., compatibility, usefulness, ease of use, risk reduction, attitude, and intention to use). Face recognition sensor receives the lowest evaluation score in compatibility, usefulness, and risk reduction in security. For the hypotheses tests, regression analysis supports all the directional relationships between variables in the proposed model for all technologies. However, PLS generates less or no significant results than the regression analy-
sis does. PLS could provide prioritized factors that are important for companies to focus on and improve first. Regression analysis can offer a second set of factors that PLS does not show a significance but may affect consumers’ behavior and decision process. PLS analysis shows that the evaluation of a technology (i.e., evaluate ease of use, usefulness, compatibility, and risk reduction) becomes a mediator between the personal trait variable and attitude/intention to use of a technology. The common findings from both analyses are the influence of ease of use and compatibility on usefulness and the influence of attitude on intention to use.

**Key Contributions**
The results of this study would provide an assessment of whether the current pursuit of retailers is worthwhile by identifying the technologies that consumers are willing to accept and the factors affecting their acceptance behavior. This study could help retailers to identify consumers’ traits/shopping orientations who are willing/hesitant to accept a certain technology. Retailers and technology developers could refer to the results to identify which factors of a technology need to be improved to increase customers’ attitude and intention to use of a technology. PLS results show that consumers’ personal traits/shopping orientations do not directly affect their attitudes and intentions to use of a technology, contrary to the results of previous research and the results from regression analysis in this study. Consumers need to proceed the evaluation stage (i.e., evaluate ease of use, usefulness, compatibility, and risk reduction of a technology) to decide their attitude and intention to use of a technology.

*References are available on request.*
Marketing for Good: Ethics and Socially Responsible Marketing

The Signal of Sustainability
Sustainability Signaling, Corporate Identity Congruence, and Corporate Image Congruence: Maybe It’s Better to Say Nothing at All
Tyler Milfeld, Daniel J. Flint, Paola Signori, Bridget Satinover Nichols, Irene Gozzo

The Influence of Supply Base Size on Sustainable Purchasing and Organizational Sustainability Performance
Anshu Arora, Anita Arora, K. Sivakumar, Gerard J. Burke

When Ignorance Is Bliss: The Effect of Multiple Third-Party Environmental Labels on Ethical Consumer Behavior
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To Embrace or Not to Embrace Sustainability in Marketing Communication: That Is the Question
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Consumer Motivations for Prosocial Behavior

Effect of Price Latitude on Donation: Mediating Role of Perceived Control  
Subhash Jha, Ceren Ekebas-Turedi, Minoo Talebi Ashoori

The Evolving Prosocial Consumer: How Highly Prosocial Consumers Respond to Firm Prosocial Action  
Christian Hinsch, Kevin Lehnert

The Effect of Children’s Facial Expressions in Eliciting Charitable Donations in the Context of Child Sponsorship Versus One-Time Donations  
Hyunkyu Jang

MFG-2  
2019 Summer AMA Proceedings
Sustainability Signaling, Corporate Identity Congruence, and Corporate Image Congruence: Maybe It’s Better to Say Nothing at All

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Keywords: congruence, corporate identity, corporate identity congruence, corporate image, corporate image congruence

Description: This research explores customers' perceptions of the extent of fit among meanings companies signal as aspects of their identities which we refer to as Corporate Image Congruence (CImC).

EXTENDED ABSTRACT

Research Question
As firms move toward becoming more sustainable by focusing on environmental, social and economic sustainability simultaneously, as directed by the triple bottom line framework (Elkington 1998), they also ponder whether or not to communicate these efforts to stakeholders, in particular customers. Their hesitancy stems from a suspicion that customers may view sustainability messaging as incongruent with what they think the company stands for, i.e., its corporate identity (CI) or be seen as disingenuous.

The term Corporate Identity Congruence (CIC) was recently introduced into the literature (Flint, Signori, and Golicic 2018) to refer to how well concepts and terms on which companies anchor their identity, hereafter referred to as corporate identity meanings, fit together. Marketing claims on websites, packaging, shelf-talkers and other forms of communication to customers about the identity of the parent company, are signaling a meaning that customers will assess as either congruent or incongruent with what they think the company stands for, i.e., its CI. For purposes of this research, we focus on the perceived congruence of corporate identity meanings as developed through customers’ perceptions of the signals companies send. When customers develop perceptions about these signals they form a corporate image (CIm) and evaluate how well meanings fit together.

Our focal question is as follows: does promoting sustainability as part of a company’s identity have an impact on consumers’ reactions toward brands produced by that firm, and if so, in what ways are these effects manifested? To date, no published research has explored the effects of sustainability claims on CIC perceptions, i.e., Corporate Image Congruence, or on marketing-relevant outcome variables.

Method and Data
We selected dairy farms and their cheese products as our context. The first step was to collect relevant and appropriate terms that would realistically convey that the hypothetical dairy was in fact a real dairy farm that produced cheese. This survey was deployed on Amazon mTurk with N = 100 respondents (U.S.) and N = 88 respondents (Italy).

A 2 (sustainability type: environmental or social) × 3 (level: firm, local, global) experimental research design was
employed to test the effects of various, independent sustainability claims made by a dairy farm on marketing-relevant dependent variables. Participants viewed a mock landing page, a mock “about us” web page, a mock retailer shelf standing sign, and mock labelling on a package of cheese. A sample of 289 individuals from across the United States between the ages of 18 and 71 were recruited on Amazon Mechanical Turk (mTurk) to participate in the experiment in exchange for $1.50. An Italian survey consisted of 123 participants between the ages of 17 and 60. Participants who had completed the prior terms survey were excluded.

The mean values for all dependent variables (DVs) under environmental claims were statistically the same as or slightly lower than the control condition. The mean values for all DVs under social claims were lower than both environmental and the control condition. The social sustainability claim was perceived to be congruent but less congruent than the control for both countries (U.S. \( p = .001 \), Italy \( p = .002 \)), and the social sustainability claim was perceived to be less congruent than the environmental claim (U.S. \( p = .033 \), Italy \( p = .035 \)).

### Summary of Findings

There are three noteworthy findings. First, we found positive effects on dependent variables of interest (purchase intent and experience) when congruence was added as a mediator, reinforcing the importance of perceived congruence on both purchase intent and experience. Second, a noteworthy finding is that the social sustainability claim was perceived to be less congruent than the control for both countries (U.S. \( p = .001 \), Italy \( p = .002 \)), and the social sustainability claim was perceived to be less congruent than the environmental claim (U.S. \( p = .033 \), Italy \( p = .035 \)) in both countries of study. This suggests that as long as identity claims are seen as congruent, they do result in positive effects, however, the effects may be no better than not making any claims at all. Third, when considering the three different levels of sustainability—firm, local, and global—there were not statistical differences in terms of congruence for environmental claims among U.S. participants. All three levels were directionally lower than the control, reinforcing the previous finding that saying something may be no better than saying nothing at all. However, the social global condition was perceived to be less congruent than the control and firm conditions \( (p < .05) \). These findings reinforce the importance of congruent messaging and the potential that sustainability messaging, particularly of the social type, may not stimulate greater purchase intent.

### Key Contributions

This research aims to make three important contributions. First, no published research has explored the effects of sustainability claims on Corporate Identity Congruence (CIC) and marketing-relevant outcome variables. This research provides an initial view on sustainability signals and their consumer meanings through three marketing communication vehicles. Our findings here suggest that perhaps the packaging, website and in-store display are not enough to really excite and motivate consumers. Second, we begin to contribute to the congruence discourse as it relates to corporate identity (CI) by introducing the term Corporate Image Congruence (CImC) to refer to customers’ perceptions of the extent of fit among meanings companies signal as aspects of their identities. Third, marketing literature has generally identified the positive effect of sustainability messages when they are seen as authentic representations of the company or brand. We find that sometimes social sustainability claims do not seem as congruent nor have as positive an effect as environmental for a small agriculturally based food company. Future research should explore the underlying mechanisms behind incongruence with sustainability messaging.

*References are available on request.*
The Influence of Supply Base Size on Sustainable Purchasing and Organizational Sustainability Performance

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Keywords: strategic sustainable purchasing; organizational sustainability performance; supply base size

Description: The current research contributes by investigating the moderating effects of supply base size on strategic sustainable purchasing (SSP), environmental collaboration, and organizational sustainability performance. The research adopts a dynamic capabilities view of the firm to examine SSP and sustainability performance of the firm through relational capabilities.

EXTENDED ABSTRACT

Research Question
Sustainable purchasing plays an important role in corporations for assessing organizational performance (Cooper and Ellram 1993; Ellram and Carr 1994; Krause et al. 2009; Overstreet et al. 2014; Schoenherr et al. 2014; Foerstl et al. 2015; Stanczyk et al. 2015; Montabon et al. 2016; Lee, and Ha 2018; Ferro et al., 2019). This research examines the relationship between strategic sustainable purchasing (SSP) and organizational sustainability performance (OSP). SSP is a dynamic capability fundamental to OSP of the firm. Environmental collaboration is a relational capability that leads to improvements in OSP. We test the hypothesized relationships using multigroup analysis in partial least squares-structural equation modeling (PLS-SEM).

Method and Data
We collected data from supply chain professionals using a questionnaire. The survey questionnaire was administered to supply chain managers, who were employed in selected companies whose revenues ranged from less than $10 million to more than $5 billion. 317 usable surveys were returned for an overall response rate of 15.2%. To conduct the multigroup analysis using supply base size, we split the sample into two groups. The first group consisted of companies having a large supply base, and the second group contained companies having a small supply base.

Summary of Findings/Key Contributions
Our results indicate that the small supply base positively moderated the relationships between environmental collaboration and environmental performance; and environmental collaboration and social performance. For the large supply base, the moderating effects of supply base size on the relationships between environmental collaboration and environmental performance; and environmental collaboration and social performance were nonsignificant.

From the perspective of sustainability performance, our major research contribution is that when the supply base is limited, environmental collaboration positively and significantly affects all three dimensions of OSP—economic, environmental, and social performance. Conversely, when the supply base is large, environmental collaboration affects only economic performance of the firm.

References are available on request.
When Ignorance Is Bliss: The Effect of Multiple Third-Party Environmental Labels on Ethical Consumer Behavior

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Andrea Tangari, Wayne State University

Keywords: ethical consumption, third-party endorsement, ethics, ethical consumer behavior

Description: This paper investigates the effects of third-party endorsements in the form of eco-labels on product packaging on consumer perceptions.

EXTENDED ABSTRACT

Research Question
Brands and corporations try to make it easier for consumers to be able to detect their brand and perceive it as a superior product by placing signals on products. Eco-labels are one such signal that aim at consumers with no-harm goals for the environment and societies. Upon facing a product package with eco-labels, consumers treat these labels as peripheral cues for product credibility, and such signals impact consumers’ purchase intentions. Our question is whether the presence of eco-labels on packaging impact consumers that have high information on eco-labels and consumers that have low information on eco-labels differently. Furthermore, because the use of multiple eco-labels on packaging by brands is becoming a norm in the industry, we are interested in researching the effects of one eco-label vs. multiple eco-labels on packaging on these different consumer groups.

Method and Data
A 2 (Knowledge level: high/low) × 2 (1 seal for Fair Trade, 3 seals for Fair Trade, Rainforest Alliance and Certified Vegan) between-subjects design is used, with random assignment across conditions. Participants are randomly assigned to view a pack of loose-leaf tea either with a one eco-label (Fair Trade label by the Fair Trade Association) or with three labels (Fair Trade, Rainforest Alliance and Certified Vegan), and to evaluate product credibility and purchase intentions. Lastly, participants answer several questions that measure their knowledge of the seals presented. Responses are recorded on a 7 point Likert scale. Data is collected from MTurk using an online survey instrument. The final data set includes 159 participants across 4 conditions.

Summary of Findings
Our results indicate that the interaction effect between consumer knowledge levels and the number of eco-labels present on the packaging is significant. Hence, people who do not have deep knowledge of labels process eco-labels heuristically and labels serve as peripheral cues to increased trust for the product. However, even though they do not have deep knowledge about labels, presence multiple labels do not automatically serve them as peripheral cues. Presence of 3 separate eco-labels on a product cause skepticism even for consumers who do not have deep knowledge about environmental labels and leads the lower trust for the products that carry multiple labels compared to the products with only one label. On the other hand, people who have more information about labels don’t go through the same processing route and report low trust for either product.

Key Contributions
Past research on the impact of third-party eco-labels, in the domain of environmental consumer behavior, is very limited especially considering the importance and magnitude of no-harm product markets. So far, no studies have been conducted on how consumers react to multiple labels that are placed on packaging while more products appear in the stores with multiple labels every day. Hence this paper
promises a significant contribution to the ethical consumer behavior literature. It also sheds important light on how industry marketers and managers can more effectively use eco-labels on the packaging. Additionally, we explore ways to shape public policy to benefit the consumer in terms of eco-label use on products. Most importantly, this paper highlights the importance of using sincere and succinct ways of marketing.

References are available on request.
To Embrace or Not to Embrace Sustainability in Marketing Communication: That Is the Question

Tyler Milfeld, University of Tennessee
Daniel J. Flint, University of Tennessee

Keywords: sustainability, sustainable brands, brand schema, brand image, core affect

Description: This research examines how two brand types and different sustainability messages impact a consumer’s affective response.

EXTENDED ABSTRACT

Research Question
Emerging brands are disrupting product categories such as chocolate, bread, soap, and apparel, gaining market share versus large, established brands (McRiskey, Blasberg, and Apps 2018). Many of these brands have positioned their brand marketing strategies around sustainability, promoting their positive environmental and social contributions. As brands decide to embrace or not to embrace sustainability, understanding how consumers will respond to environmental or social messages can help to inform this significant strategic decision. Our research questions are twofold—first, how do consumers feel about brands communicating sustainability messages? For purposes of this manuscript brands communicating sustainability messages is defined as brands who have adopted sustainability in their consumer-facing brand positioning. The second focal question is to what does the brand type affect the consumer response? We introduce sustainable brands as a brand type and compare affective response to a nonsustainable brand. This research aims to contribute to the sustainability literature by identifying how two brand types contribute to the consumer’s immediate, affective response to messages.

Method and Data
We aim to answer our core research questions through a mixed method study. The first phase seeks to understand the emotional experience of consumers through an existential-phenomenological approach. We will utilize purposive sampling, seeking participants who have a strong emotional response to sustainable brands. A semi-structured approach will guide the long interviews, and the hermeneutic method will be used for interpretation. The consumer responses will help to shape the core affective measures. The second phase is a scenario-based experiment using a between-subjects 2 (brand types: sustainable brand, nonsustainable brand) × 2 (message types: environmental sustainability message, social sustainability message) with core affective response as the dependent variable.

Key Contributions
This research aims to make several theoretical and practical contributions. First, we answer the call to research brand image incongruity and the consumer’s affective response. We apply schema incongruity theory and evaluate (in)congruence in an emotional context to delineate theoretical boundaries. Marketing research on sustainability has primarily operated at the product level, identifying product benefits may outweigh sustainability messages (Luchs et al., 2010) and existence of a tradeoff between performance and function (Luchs, Brower, and Chitturi, 2012). Given the potential for brands to catalyze sustainability by influencing customers, (Gupta and Kumar, 2013), there is an opportunity to explore messaging at the brand level. Second, we introduce the typology of sustainable and nonsustainable brands into the sustainability discourse. Supply chain literature has provided a view into how sustainability is integrated into the organization’s planning and production processes (Signori, Flint, Golicic, 2015) and affects internal practices and processes (Gupta and Kumar, 2013). We intro-
duce sustainable brand to refer to a brand that has integrated sustainability into its value chain and makes sustainability the core of its consumer communication.

Third, we investigate an underserved area of sustainability research—social sustainability messaging. The three dimensions have not been given equivalent attention in marketing literature, and environmental sustainability has been the most empirically studied (Kumar, Rahman, and Kazmi, 2013). In terms of contribution to practice, we seek to identify potential limitations for brands communicating sustainability messages, providing insight to brand managers. This research aims to help brand managers to assess the consumer implications of embarking on sustainability messaging.

*References are available on request.*
Extending the principles to public sector undertakings in India: An exploration of marketing doctrines

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Keywords: marketing doctrine, marketing in PSUs, emerging markets

**Research Question**
Many large organizations in the USA have a range of products and operate in different market segments. To improve the efficiency of operations and make faster decisions, organizations employing these managers would like to operate consistently across all the markets. To this end, some firms use a set of guiding principles. Challagalla et al. (2014) define these principles as marketing doctrines and about 10% of Fortune 500 firms that operate to maximize shareholder value have such doctrines in place. In this research, we investigate if such doctrines exist in public sector undertakings in India. The principle of marketing doctrine was developed based on qualitative interviews conducted in North America with several Fortune 500 companies, and about 10% of the fortune 500 companies have marketing doctrine. Some of the characteristics of the marketing doctrines are that they are organization specific, explicit, long lasting, central and of high importance, and guide organizational decision making (Challgalla 2017). In this research, we investigate the applicability of marketing doctrines to public sector organizations in an emerging market.

**Method and Data**
To understand how public sector organizations in India make market facing decisions, we employed the following methods.

- We conducted several in-depth interviews with senior officials,
- We shadowed senior executives in three different organizations for five days,
- We read transcripts and watched videos of interviews and presentations by senior executives of public sector organizations, and
- We examined relevant documents (for example, citizen charters) to understand how marketing doctrines evolve and how public-sector undertakings use them.

**Summary of Findings**
One of the differences we see in the marketing doctrine between the fortune 500 firms and the public-sector organizations in India is the objective of these doctrines. The marketing doctrines practiced by fortune 500 firms like Merck, Coke, Apple, and Cisco are designed mainly “to guide the development of their commercial strategy and marketing plans” (Challgalla 2017, p.2). The marketing doctrines of the public-sector organizations in India implicitly realize the need to go beyond financial performance and consider the well being of other stakeholders such as customers, employees, society, and the environment.

Some marketing doctrines in the public-sector organizations are akin to mandates. For example, some public-sector undertakings want to ensure that they do not target only the most profitable segments of the market. Instead, they serve weaker sections of the market that may not be profitable. While there is no enforcement of these doctrines several public sector organizations seem to follow these mandates voluntarily.

Fortune 500 companies operate in diverse product-markets, and the marketing doctrines they develop are based on their experiences. These marketing doctrines vary across these companies. There is only limited scope for learning from the experiences of other organizations. However, in the case of public sector enterprises in India, we find that there is a cross-fertilization of ideas and many organizations share similar values/outlook (optimizing a
mix of profits and customer welfare) in making market-facing decisions. The fortune 500 companies learn how to generalize market-facing decisions over time. In stark contrast, when we spoke to senior executives of public sector organizations, we noted that even when organizations come into existence, there are some implicit marketing doctrines that these companies use from the very beginning. One of the reasons for this is the transfer of senior executives across these organizations.

The marketing doctrine of the fortune 500 companies focuses on market-facing choices with scant attention to Corporate Social Responsibility. All the examples given by Challgalla et al. (2014) and Challagalla (2018) focus only on market-facing choices as it applies to the firms’ customers. CSR is not part of the marketing doctrines in the case of fortune 500 companies. However, CSR is part of the marketing doctrine in the case of public sector undertakings in India.

**Key Contributions**
In this research, we show that the concept of marketing doctrines is not unique to Fortune 500 companies. Indeed such doctrines exist in some public sector undertakings in India. We also show how the doctrines practiced by Fortune 500 companies differ from those practiced by the public sector companies in India.

*References are available on request.*
A Comparison of Marketing Research on Nonprofits in China and the United States: Review, Assessment, and Future Research

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Keywords: nonprofit marketing, cultural differences, literature review.

EXTENDED ABSTRACT

Research Questions
1. What are the scope and trends of nonprofit marketing research in China and the United States?
2. What are the similarities and differences between nonprofit marketing research in terms of research methods and theories?
3. What are the main research gaps and future research directions in nonprofit marketing, when taken from a multicultural perspective?

Method and Data
This study represents a systematic review of the literature on nonprofit marketing in China and the United States and focuses on peer-reviewed journal articles published during the 10-year period from 2008 to 2018.

Key Contributions
This article contributes to the understanding of nonprofit marketing in at least three ways. First, despite the rapid growth of nonprofit marketing studies in China and the United States, no previous study has, to the best of our knowledge, systematically reviewed their findings. We integrate those fragmented results by providing the first comprehensive framework to advance the understanding of the evolution and structure of nonprofit marketing research. These integrated frameworks also enhance nonprofit practitioners’ understanding of various factors influencing the effectiveness of nonprofit marketing and how to increase the efficacy of their marketing initiatives. Moreover, as the collaboration between nonprofits across the world increases, a greater understanding of different cultures enables them to better serve their purposes in different countries, and thus further fulfill their missions worldwide. Lastly, through comparing the similarities and differences between these two distinct markets from a multicultural perspective, we can identify important research gaps regarding the country and cultural determinants in nonprofit marketing.

Summary of Findings
The body of nonprofit marketing research has experienced an increasing trend, which, however, is very fragmented and diverse. The fragmented finding inhibits the nonprofit practitioners in both countries to utilize the results. In response, this paper summarizes a number of the key themes to emerge from the nonprofit marketing literature in the past 10 years, and explores the questions: (1) what nonprofit marketing research has been conducted in China and the United States until now, (2) what are the similarities and differences between these studies, and (3) where do we go from here.

References are available on request.

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The Pursuit of a Green Image in Family Firms: Exploring the Role of Organizational Leadership and Positive Psychology

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Keywords: family firms, corporate social responsibility, positive organizational behavior, organizational psychological capital, agency theory

Description: Family firms with active family management have significantly lower levels of corporate social performance than nonfamily firms and family firms with nonfamily management teams and this difference is exacerbated by organizational psychological capital.

EXTENDED ABSTRACT

Research Question
Frequent press headlines about CSR scandals reveal that not all organizations have fully embraced the importance of responsible behavior. To investigate the root causes for these variations, scholars showed impressive efforts to explore internal drivers for a sustainable image (Agnus-Leppan, Metcalf, and Benn, 2010; Petrenko, Aime, Ridge, and Hill, 2016). A topic of key interest was thereby the impact of family ownership. There has been a multiplicity of studies comparing CSR in family and nonfamily firms (e.g., Bingham, Dyer, Smiths, and Adams, 2011; Dyer and Whetten, 2006). However, these studies have built on the assumption that family firms act as a homogenous group (van Gils, Dibrell, Neubaum, and Craig, 2014). Already some years ago, Bingham et al. (2011) have pointed out that “distinguishing between family firms characterized by active family participation in management versus passive family ownership might have important implications for CSP [Corporate Social Performance] activity and stakeholder relationships.” Yet, research still lacks an understanding of how leadership characteristics affects CSR in family firms (Canvati, 2018). We therefore aim to address following questions:

1. How does the active participation of family members in TMTs influence family firm’s pursuit of CSR?
2. How does organizational psychological capital influence this relationship?

Method and Data
We developed our sample based on corporations in the S&P 500 index that were continuously listed from 2005 until 2016. To derive all necessary information for our analyses we collected data from four different sources. First, we hand-collected information on family firms from proxy statements and annual reports. Second, we gathered panel data on corporate social responsibility performance from the Thomson Reuters ASSET4 database, which provides systematic and objective research data on organizations’ environmental, social and governmental performance. In line with previous research we developed an annual CSR performance composite score for each firm by assigning equal weights to each of the three pillars (Cheng et al., 2014). Next, we merged our family firm and CSR performance data with data on organizational psychological capital, which we derived from Letter-to-Shareholders. Lastly, we added data on our control variables from the COMPUSTAT database to
finally arrive at a final unbalanced panel dataset with 1,952 firm year observations. We focus our empirical analyses on random-effects regression models since the unobserved individual effects are uncorrelated with our regressors (Hausman test: $p > 0.1$). Additionally, the Breusch and Pagan Lagrangian multiplier test assures priority of a random-effects regression over an ordinary least squares regression ($p < 0.01$).

**Summary of Findings**

In our sample 27% of all companies are family owned. Out of all family owned firms 42% are characterized by active family management, whereas 58% do not have any family member in their top management team. In line with Hypothesis 1 we find that family firms in which family members are actively involved in the TMT show significantly lower CSR performance than nonfamily firms ($\beta = 6.27, p < 0.01$) and family firms in which no family member is actively involved in the firm’s management ($\beta = 6.91, p < 0.01$).

Hypotheses 2 proposed that the generation of family leaders negatively relates to CSR performance. Yet, contrasting our theorization, we did not find support for this hypothesis ($\beta = 0.50, p > 0.1$). Lastly, we tested for a moderating effect of organizational psychological capital. As hypothesized we find that organizational psychological capital negatively moderates CSR performance in nonfamily firms ($\beta = -2.00, p < 0.05$). In contrast to our predictions, however, the negative moderation does not hold true in family firms with nonfamily management ($\beta = -1.78, p > 0.1$). Lastly, in support of hypothesis 4 we find that organizational psychological capital has a positive moderating effect in family firms with active family management ($\beta = 2.26, p < 0.01$).

**Key Contributions**

The findings of our study yield relevant contributions for three distinct streams of research. First it provides important insights into family versus nonfamily executives’ incentives to engage in CSR. In recent years, CSR has been a topic of key interest in marketing and management literature. Yet, there have so far been only limited insights on its drivers. Particularly, the role of top management team characteristics has received little attention by scholars (Patrenko et al., 2016). Thus, research would certainly benefit from enhanced transparency on the left side of the equation, the antecedents of corporate social responsibility. Second, our study advances a lasting debate on CSR performance in family firms (van Gils et al., 2014). We challenge previous studies by showing that CSR performance is not per se better or worse in family firms but largely determined by the form of organizational leadership. Lastly, our study makes an important contribution to positive organizational behavior research by enhancing transparency on the role of organizational psychological capital. Despite tremendous data collection effort, it responds to calls for research on the behavioral consequences of organizational psychological capital (McKenny et al., 2013) and opens up an exciting avenue for further research.

*References are available on request.*
Corporate Social Responsibility and Financial Performance from a Consumer Perspective: An Application of Value Engineering Theory

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Keywords: corporate social responsibility, financial performance, value engineering

EXTENDED ABSTRACT

Research Question
Corporate social responsibility (CSR) has always been of great importance in both academic circles and industries. After reviewing current studies on CSR, we found several limitations as follows: (1) the consumers’ expectations of CSR are neglected among the studies centering on consumers’ evaluation on CSR; (2) empirical studies on the relationship between CSR and corporate financial performance were lack of realistic guidance; (3) the relation between consumer-oriented CSR studies and corporate financial performance hasn’t been bridged.

Based on these limitations, this research aims at solving these problems by (1) applying the expectations of consumers on CSR to the study of relationship between CSR and financial performance; (2) measuring CSR level by introducing a new variable which is called ‘the expectation deviation level of CSR’ to help the enterprises understand the gap between their CSR fulfillment and consumer expectations; (3) verifying the relationship between the new CSR variables and corporate financial performance; (4) introducing appropriate moderator and discussing how it influences the relationship mentioned above; (5) providing practical solutions for CSR improvement.

Method and Data
The data used in this paper consist of two parts: Firstly, the relevant evaluation data from consumers on CSR was used to calculate the functional coefficient of CSR by applying value engineering method; secondly, secondary data about the social responsibility fulfilled by listed companies, which could be used to calculate cost coefficient of social responsibility fulfilled by companies and correlated variables for verifying model assumptions.

The purpose of this paper is to study the impact of the overall level of social responsibility activities on financial performance. Therefore, the independent variable is the total expectation deviation level of CSR. For the dependent variables, this paper uses common accounting indicators—ROA and ROE—to measure the financial performance of an enterprise. The control variables include company’s age, scale, nature of holding, industry, time-to-market, etc. The paper uses second-hand data indicators to calculate the marketing ability as the moderator. By using method of panel data regression and parameter estimation of the main effect model as well as the moderating effect model, the relation between the independent variable and the dependent variable and the moderating effect are tested and analyzed.

Summary of Findings
With empirical survey of 878 consumers and 4 years’ panel data of 98 enterprises, the final results of this research show that: (1) differences of consumers ‘attention and emphasis exist among all aspects of CSR, and consumers’ expectations of all aspects of CSR will differ depending on the industry; (2)
the “total CSR expectation deviate level” has negative effect on financial performance; (3) marketing capability has a significant moderate effect on the relationship between corporate social responsibility and financial performance; (4) methods and thoughts of Value Engineering enable companies to examine their own lack of CSR, and provide practical ideas and methods for CSR improvement solutions design.

**Key Contributions**

The key contributions of this research consist of two dimensions. For the theoretical significance, the new concept and measurement index of ‘expectation deviation level of social responsibility’ is put forward through combing social responsibility study with value engineering method. Meanwhile, the relationship between expectation deviation level of general CSR and financial performance was verified by the empirical tests, thus making up the insufficiencies of current studies on CSR, and provide new ideas and tools for CSR studies. For the practical significance, the enterprises can understand the gap between their CSR fulfillment and consumers’ expectations by applying the value engineering method introduced in this research, and make feasible plan for improving their CSR fulfillment, thus enhancing their corporate financial performances.

*References are available on request.*
Workplace Gender Diversity and Financial Outcomes: Evidence from the Video Game Industry

Samantha Galvan, The University of Texas at San Antonio
Richard Gretz, The University of Texas at San Antonio

Keywords: gender diversity, video games, work groups, workplace diversity

Description: The authors utilize a novel approach to control for endogeneity and apply it to estimating the effect on revenue that gender diversity has within video game development teams.

EXTENDED ABSTRACT

Research Question
Previous research on gender diversity in the workplace has yielded mixed results (Chapple and Humphrey 2014; Horwitz and Horwitz 2007; Pelled 1996; Sabatier 2015) and there is a lack of research that examines the monetary impact of gender diverse teams. The published research largely seems to focus on the impact of gender diversity in a boardroom setting (Joeckes, Pull, and Vetter 2013; Sabatier 2015; Terjesen, Couto, and Francisco 2016), not on mid-level teams that produce retail goods, which would have more relevant managerial and marketing implications.

This research seeks to contribute to this literature by examining the impact of gender diverse development teams within the context of the video game industry. We take on this task by investigating how gender diversity in a video game development team affects subsequent total revenues of such games. By examining the financial impact of gender diverse teams, we link gender diversity to some actionable managerial and marketing implications.

Our research question is this: what effect does gender diversity in a video game development team have on the subsequent revenues of the game? In other words, does having a gender diverse team help or hurt the subsequent output of that team?

Method and Data
We use a dataset compiled from NPD which contains 2,805 console-based video games released between January 1995 and October 2010. We augmented the dataset by using information from Mobygames.com to calculate the percentage of women on the development team of each game, which is our focal measurement of diversity.

The dependent variable is the log of total lifetime revenue of each game \( i \) released on console \( j \) at time \( t \). The key independent variable in this analysis is the percent of women on the development team of each game, operationalized as the percent of women on the development team of game \( i \), released on console \( j \), represented in the data as \( PW_{ij} \). We also analyze the squared percent of women on the development team of each game, in an effort to identify any curvilinear effect on subsequent revenues.

Control variables include the age of the console measured in months, the console install base, and additional measures like genre, age-appropriate ratings, quality ratings, distribution strategy and the number of competing games available.

We control for endogeneity in the data by leveraging the method introduced by Lewbel (2012) which utilizes heteroscedasticity already within the data to internally generate instruments.

Summary of Findings
The results indicate there is a curvilinear relationship between the measure of gender diversity on a video game development team and the subsequent total revenues that the video game generates. We calculate the estimated marginal
impact of PW at the average level of PW of 12.14 percent, and it shows that an increase of one percentage point in PW results in an increase of revenue of 2.868 percent. These results indicate that managers are missing out on revenue maximization by not hiring enough women on video game development teams.

In order to find this point of revenue maximization, we set the estimated marginal impact to zero and solve for PW. Our results of this calculation show that hiring managers are falling very short of the point of revenue maximization, which is attained at 35.38 percent women on a development team. This figure is well above the current average of 12.14 percent. This helps us conclude that there is a lot of room for hiring more diverse talent and that doing so would greatly help the bottom line.

**Key Contributions**
First, this work has indicated that having gender diverse teams has real financial implications. Our results show that there is a curvilinear relationship between the level of gender diversity on a work team and that revenues are maximized at a level of 35.38 percent women on a development team. We’ve been able to show that gender diversity indeed has strong financial implications.

The second contribution of our work is demonstrating the usefulness of a new methodology for creating instrumental variables and addressing issues of endogeneity. Lewbel’s (2012) method seems to be especially helpful in instances where external instrumental variables are not available, which was the case with our dataset. By using the heteroskedasticity present within the data, we were able to create strong instruments that allowed us to successfully control for the endogeneity.

Finally, our results indicate that diversity on a work team may have more actionable consequences than previously thought. Managers may want to be more deliberate in creating gender-diverse work teams, as that seems to lead to subsequent higher revenues. We show that increasing PW by just one percentage point above the average level of PW increases revenue by 2.868 percent, which is not a small figure.

*References are available on request.*
Crossing the Funding Barrier: Fundraising Along with Social Organizations Lifetime Cycle

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Merav Weiss-Sidi, Ben Gurion University
Oded Lowengart, Ben Gurion University

ABSTRACT
Scale-up of seed social ventures (SSVs) requires impact or size expansion. In order to understand how SSVs scale up to become well-established social organizations (NPOs), we examined donors’ preference and choice processes at two stages in organizational life. Using a crowdfunding choice simulation among several organizations differing in their lifecycle stage, we compared the attributes involved in creating preference and choice processes. We conducted an online experiment in which we collected 403 questionnaires from U.S. respondents. The results enabled us to learn how, throughout the course of their lives, organizations can adjust their appeal strategies to solicit donors. Our findings suggest that while NPOs can focus on their reputation when choosing a campaign message, SSVs should focus on their impact for creating preference. However, this difference does not hold for choice processes.

Keywords: social ventures, fundraising strategy, donations

Introduction
Entrepreneurial ventures have been the catalyst for growth and rapid expansion in both the business and social sectors (Austin, Stevenson, and Wei-Skillern, 2006). In order for a business or social opportunity to take form and evolve into a venture, it must identify the conditions in which a new product or service can be brought into actualization. While for a business venture, a worthwhile opportunity includes large potential market size and attractive industry, for a social venture (SV), a market failure or social need assures adequate market size. Hence, the challenge for SVs is whether it is possible to obtain the resources required to realize that underlying social need. To guarantee this, an entrepreneurial venture must focus on profit creation (Certo and Miller, 2008). This will assure a sustainable operation that will provide support for obtaining relevant organizational goals in such conditions.

Seed social ventures (SSVs) are entrepreneurial acts that combine social mission with novelty, innovation, and a business-like discipline (Dees, 1998). For a social venture to create an impact, it must be scalable; thus, scalability is frequently a top priority for their investors (Austin, Stevenson, and Wei-Skillern, 2006). SSVs scale up by obtaining more resources, handling larger budgets, and by creating greater impact reaching more individuals (Uvin, Jain, and Brown, 2000). As achieving wide spread impact in the relevant social domain is probably the main desired attribute of scalability, it is also necessary condition to reduce costs that will contribute to sustainable standing of the organization. However, many of these organizations have found scaling up difficult since economic, social, and political systems of support are usually lacking (Dees, 2007).

An SSV’s capability to develop strong financial capacities at the establishing stage is likely to be an indicator of its long-term sustainability. Hence, recruiting seed money is crucial for future success (Sharir and Lerner, 2006). Nevertheless, SSV leaders often are more concerned with the inspirational aspect of the venture—forming the social vision and defining the desired outcome in terms of impact—whereas they
often neglect the financial aspects of cash flow, long-term returns, and forecasting (Brown and Murphy, 2003; Ridley-Duff 2009). Due to this negligence, many SSVs do not financially independent and continue to be supported by private donations and public grants (Fedele and Miniaci, 2010). This, of course, is also magnified by the relative low returns they can get from their primary social actions.

Several scholars have investigated the motives that encourage donation behavior (e.g. Karlan and List, 2007; Frey and Meier, 2004). One of the common explanations is built upon exposure to other people’s donation behavior (i.e., relative comparison). For example, social information regarding others’ donations has a significant influence on donation frequency, structure, and value (Martin and Randal, 2008). Karlan and List (2007) examined the effectiveness of a matching grant on capital raising and found that such an offer positively affected both the willingness to donate and the revenue earned in each appeal. Moreover, research on prosocial behavior suggests that higher donation rates are more likely to take place when there is information available regarding the number of people who have already donated (Frey and Meier, 2004). In an experiment conducted by Croson and Shang, (2008) participants adjusted the amount of their donation according to information about the amount others donated. If an organization had already established a positive public reputation, the willingness of others to donate to its cause increased (Bekkers and Wiepking, 2011). This mechanism may explain “how the rich get richer” by describing the circular process in which well-established SVs’ access to resources may assure their financial sustainability and future access for capital. It is, therefore, apparent that SSVs are subject to less recognition that will lead to more difficulties in obtaining resources through donations. Along this line, we postulate that well-established social ventures (NPOs) are more successful in recruiting capital than SSVs.

The objective of this paper, therefore, is to examine the similarities and differences between donors’ preferences formation for and choice processes between SSVs and NPOs when they consider donating money for their causes.

**Conceptual Framework**

Based on the relevant literature, the decision-making process generally includes three main components: the characteristics of the organization, the characteristics of the cause (or the beneficiaries for whom it operates), and the characteristics of the donor. Each of these, together and separately, has a role in shaping the individual’s preferences and choice of where to donate (see Figure 1).

In this study, we consider these three components in order to get more insight about their direct effect on preference and choice as well as their interactive effects with the type of the benefited organization. Furthermore, we also look at the change in these effects at different stages in a social initiatives’ life. That is, whether it is at the preliminary stage of the social initiative or when an organization is well known and established.

**Hypotheses**

H1: Donors’ perception of well-established NPOs is higher than that of SSVs for all attributes.

H2: Donors’ overall preference towards well-established NPOs is higher than that towards SSVs.

H3: Donors are more likely to choose to donate to NPOs than to SSVs.

H4: Donors’ preference process is based on different attributes of well-established NPOs compared to SSVs.

H5: Donors’ choice process is based on different attributes of well-established NPOs compared to SSVs.

**Method**

We conducted an online experiment to compare donors’ perceptions, preference, and choice for SVs at different life stages. The experiment, simulating a crowdfunding platform, was designed as an online choice between alternatives that focused on SSVs and NPOs.

**Participants**

403 U.S. citizens (45.1% female) between the ages of 18 and 74 ($M_{age} = 32.12$) were recruited using Prolific Academic (PA; www.prolific.ac). Participants received £1 for their participation.

**Procedure**

To learn about the effect of the SV life stage, we used the same description for both NPOs and SSVs, but changed the framing of the venture to describe it either as a well-established organization (i.e., NPO) or as a new initiative (i.e., SSV). Questionnaires presented a set of four well-estab-
lished organizations; Oxfam, CARE, Save the Children, and Red Nose Day. All four NPOs were selected as top leading organizations in the U.S. with more than 500k followers of their official Facebook page. In addition, the questionnaires presented a set of four new initiatives: End Poverty Forever, Action for Kids, Help the Homeless, and No More Children Poverty. All four new initiatives had less than 10k followers, if any, according to their official Facebook page. To assure differences were due to the organization’s stage of life (NPO/SSV), for each well-established NPO, we created a parallel organization using an identical description, but framed it as an SSV. For example, the first organization in the NPO set was Oxfam, described as follows: “Oxfam is a well-established not-for-profit organization which uses a six-sided strategy to weave together the complex web of our efforts, and joining with others, we seek to overcome poverty. The injustice of poverty demands a powerful and practical response to address both its causes and its impact on peoples’ lives.” The first organization in the SSV set was Help the Homeless, and it was described the same, but framed as a new not-for-profit initiative instead of as a well-established not-for-profit organization.

Measures

Based on the attributes that were found to be significant and the literature review, we created a shorter version of a questionnaire referring to three distinct components that compose a donor’s decision-making process: organizational, donor, and cause characteristics. To minimize potential multicollinearity, each of the components was represented by only 2–3 items. An example item is: The organization has a positive reputation. All items were answered on a 7-point Likert scale, ranging from 1= low to 7 = high. Each respondent evaluated four organizations in total; two were framed as well-established (i.e., NPOs) and the other two were framed as new initiatives (i.e., SSVs). Each respondent was randomly assigned to one of the two sets of four organizations (i.e., Set 1 or Set 2). In addition, we examined donation intentions when respondents chose only up to one organization to donate to.

Results

H1–H3: Perceptions, Preferences, and Choice Differences

We postulated that respondents would perceive the well-established NPOs more favorably than SSVs in all attributes measured. We used a familiarity control question to verify that the respondents were familiar with the NPOs and not familiar with the SSVs. On top of all datasets, the control question enabled us to examine another subset, which we refer to as controlled, consisting of well-established ventures that donors were familiar with and new ventures that they were not familiar with (n = 1100).

As we hypothesized, the mean score on a 1-to-7 scale was significantly higher for well-established NPOs, as these were perceived to be professionally managed, had a better reputation, and were a better fit for the beneficiary’s needs. Moreover, it seems that the respondents believed that it was more likely that their friends and family donate to well-established NPOs. However, we did not find significant differences for their perceptions of identification with an organization, their obligation to donate to that organization, and the perception that an organization helped the beneficiaries more or had a greater impact. Unlike the examination of all the respondents, in the controlled subset, we found significant differences for all the attributes (see Table 1). Furthermore, a straightforward investigation of the overall preference for the organizations suggests that respondents prefer well-established NPOs over SSVs. Therefore, our results support H1 and H2. These perceptions and preference differences reflect the advantage of NPOs over SSVs when fundraising is discussed in a positioning perspective. A frequencies test revealed that respondents tended to choose established NPOs over SSVs both for the full dataset (Chi1,1099 = 158.6, P-value = .000) and the controlled subset (Chi1,1099 = 158.6, P-value = .000), supporting H3.

H4–H5: Preference and Choice Processes

The processes of creating preference and choice according to McFadden (1986) are based on the interaction between the perceptions of the attributes and their importance. As expected, when we examined the entire data, we found that all attribute perceptions were positively correlated with overall preference and choice. Moreover, the correlations between perceptions of the attributes suggest that there might be a halo effect, meaning that respondents did not distinguish between the various attributes, but perceived the organization as a whole. However, in examining the processes, we found some differences between NPOs and SSVs. We estimated the importance of attributes by running a hierarchical linear model1 (HLM) of them on overall preference. Once again, we compared the whole dataset with the controlled subset with respect to a respondent’s familiarity with the organizations. For the full dataset, we found that all the attributes were important in creating preference, and correlated positively and significantly with a preference towards the organization (see Table 1). Considering the differences between the processes of NPOs and SSVs, the results suggest that although all the attributes were significantly important, there was a trade-off between positive reputation and the impact of donations. In other words, the

1The repeated measures of perception and preference for four organizations per respondent created a dependence between organizations in the analysis. We used the hierarchical model to allow random effects of respondents.
venture’s reputation had less importance in creating a preference for an SSV, but their impact was more important compared to an NPO. Running the same model on the controlled subset, we found fewer attributes to be significant, professional management for example, but the attributes’ trade-off for an SSV did not change. Investigating the choice process, respondents’ identification with the organization increased the probability of choosing that organization in the full dataset and the controlled subset. Moreover, positive reputation increased the probability of choosing the organization in the full dataset and the controlled subset (marginally) as well. To this end, it seems that if donors must choose only one organization, the message should focus on identifying with the organization for all ventures since there were no differences found between NPOs and SSVs.

**General Discussion**

SSV scale-up is required for two inter-related cause: expansion of social impact and size to reduce costs for long term sustainability. In this paper, we explored the process by

<table>
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<th>Controlled</th>
<th>Preference</th>
<th>Choice</th>
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| Schwarz's Bayesian Criterion (BIC) | 1430.1 | 968.5 |
which SSVs can get indications how to scale up in order to become well-established NPOs. This analysis was carried out by examining donors’ preference and choice for and between such organizations. Using an online experiment, our analysis revealed some differences primarily in the preference formation process between SSVs and NPOs. Our findings indicate that although NPOs has an advantage over SSVs, SSVs can still compete for donations While, NPOs are preferred for their reputation, SSVs are preferred for their Impact. Converting the donor’s preferences to donation intentions (i.e. choice) both NPOs and SSVs should focus on the donor identifying with the venture. Based on these results, the implication for SSVs is to adopt a certain communication strategy accordingly. For example, social ventures like Oxfam, which is mature and well established NPOs in the U.S., can communicate a message: “Donate to Oxfam and be a part of a world-wide known organization,” while SSV like Help the Homeless, who hasn’t yet established its reputation should choose a message: “Donate to Help the Homeless and your donation will help people today. Our data and analysis provide convergent support for our five hypotheses. Our limitations are in the scope of this research that focused on the donors’ perception of the project at its various stages (i.e. SSVs vs. NPOs). In addition, we did not carry out an actual donation, and as a result, we examined only the deposition of intention of a donation. Therefore, further studies should investigate the actual donation stage, as well as other elements of the crowdfunding interface.

References
Ethics 1, Teams 0: The Effect of Coach and Student Athlete Punishment on Academic Institutions

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Keywords: college football, attitudes, ethics, fairness

Description: This research studies how ethical standards affect consumers’ intentions to attend college football games.

EXTENDED ABSTRACT

Research Question
Ethical issues in sports remain an underexplored area of research (Constandt, De Waegeneer, and Willem 2017; Hums, Barr, and Gullion 1999). Given that misconduct is common in college football, might consumers hold coaches and student athletes to different standards? If so, how will consumers’ decisions (e.g., likelihood of attending a game) be affected by these standards? Furthermore, what processes underlie consumers’ decisions when a student athlete or coach is dismissed for misconduct? In the current research we seek to investigate the above questions.

Method and Data
We tested our hypotheses in a set of three studies. In Study 1, we tested whether offender’s team role (coach vs. student athlete) can have a significant impact on consumer outcomes. Specifically, we examined whether and how punishment of a coach or student athlete influences consumers’ behavioral intentions. Study 2 examined the boundary condition of the team’s current season performance, that is, whether the team had a winning or losing record. Finally, in Study 3, we tested the underlying process by examining the effect of team role on game attendance through attitude toward the university. In addition, Study 3 introduced perceived fairness of the university’s action as a boundary condition.

Summary of Findings
Specifically, the current work suggests consumers hold coaches and student athletes to different ethical standards, such that student athletes are held to higher standards compared to coaches; these differing standards thus influence consumers’ likelihood to attend a game. We provide evidence that attitude toward the university underlies these effects. Furthermore, we find that the relationship between action against the offense and behavioral intentions is moderated by perceived fairness, such that this relationship is stronger when perceived fairness is high. To increase the generalizability of our findings, we tested our hypotheses using three differing U.S. universities and differing offenses (e.g., punching a player and domestic abuse).

Key Contributions
Our findings have important implications to the marketing discipline. Although prior work has suggested that marketing promotions influence game attendance (Hansen and Gauthier 1989; McDonald and Rascher 2000; Funk et al. 2009), we introduce a new variable which influences game attendance. We demonstrate that taking corrective action against ethical violations can in fact influence game attendance intentions. We also contribute to the marketing communications literature by showing that communicating action taken against ethical violation can influence consumer’s attitudes which can lead to enhanced brand perceptions. College athletics directly influence brand image (Gladden, Milne, and Sutton 1998) and overall integrity (McNamee and Fleming 2007) of a university, which can have consequences for enrollment. Corrective actions against ethical violations may improve attitudes towards a
school while leading to more positive consequences such as improved brand image and game attendance.

Our work provides insights for sports marketing personnel. College sports are a source of revenue for the colleges. As demonstrated in our studies, taking corrective actions for coaches’ and student athletes’ ethical violations can have implications for game attendance intentions. Such actions are important as attendance impacts game-day revenues for universities, venues, vendors, and local businesses.

References are available on request.
Myth or Reality: Do Young Australians Have Compulsive Buying Tendencies?

Michael Lwin, Western Sydney University
Ya Xiao, Curtin University

Keywords: compulsive behavior, emotion, rational, luxury products, young consumers, prestige

Description: This study will investigate the emotional and rational motivators of compulsive purchasing behavior.

EXTENDED ABSTRACT

Hartston (2012) defined compulsive behavior as “hyperstimulation, unintentional and repeated over indulgence despite negative consequences, deception and self-neglect.” Studies have shown that the younger generation’s need for instant gratification is the highest amongst any other demographic groups (Levy 2017). Coupled with technology that enables and encourages instant gratification via online shopping, this phenomenon has generated online shopping addicts. Studies in compulsive behavior show a dramatic rise in individuals with compulsive buying tendencies since the late 1990s (Neuner, Raab and Reisch 2005). This was predominately driven by ease of access to credit and in recent times it was driven by the popularity of discounted online retailers. To add fuel to the matter, the explosion of fast fashion brands such as H&M and Zara may have driven habitual impulse purchasing behavior. Self-congruity theory suggests that individuals tend to “compare themselves with a brand and see if the brand matches their concept of themselves” (Sirgy 1986). Consumers develop favorable attitude and loyalty toward brands that reflect their personality (Erdem, Swait and Valenzuela 2006), and consumers are more likely to continuously purchase these brands to satisfy their future needs (Morgan and Hunt 1994). These factors may have contributed to young adults becoming addicts to compulsive buying tendencies. As such, the younger generation are faced with high levels of debts, depression, family issues and, other social and economic problems (O’Guinn and Faber 1989).

Research Question
This research aims to understand which factors (emotional or rational) have a stronger influence on young Australian consumers in the context of luxury branded products. The study will examine how key emotional and rational drivers such as self-esteem, FOMO, prestige, brand consciousness, quality, price consciousness and sale proneness (e.g. Krueger 1988, Roberts and Jones 2001) drives compulsive buying tendencies.

Method and Data
An online survey was conducted in a large university in Western Australia, and the respondents were randomly selected. The methodologies and measures from previous studies were adopted and adapted (e.g. Kukar-Kinney, Ridgway and Monroe 2012).

Summary of Findings
The findings indicate prestige and brand consciousness are the key drivers of compulsive purchasing behavior. The research also explains that emotional drivers are more influential than rational drivers for young consumers purchasing luxury products.

Key Contribution
The findings help brand managers to develop more sustainable strategies and policies to resolve the compulsive purchasing behavior problem. For example, luxury brands should focus on brand prestige to sell to young consumers. It creates a stronger demand for the brand amongst young consumers. In addition, young consumers whom are more brand conscious are more likely to be compulsive buyers, thus, identifying these consumers early should be a priority for luxury brands. Building a strong relationship with these young consumers will be beneficial in the long run.
munication and loyalty programs can help build this relationship. However, the study has limitations, for example inferences between luxury brands and nonluxury brands should be compared in future studies. Further, more empirical data is needed to increase the generalizability of the findings.

References are available on request.
How the Programs of CSR and Information Sources Interact to Affect Consumer Attitude of the Brand: The Mediating Role of CSR Authenticity

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Keywords: corporate social responsibility, information source, CSR authenticity

EXTENDED ABSTRACT

Research Questions
Marketers must understand how consumers specifically respond to corporate social responsibility (CSR) programs as consumers’ doubt corporate motivations, thereby creating an impediment to CSR strategic development. Therefore, this study explores the process through which firms’ CSR programs influence consumer attitude toward a brand. Drawing on the stimulus-organism-response (S-O-R) Model, this study develops a research model in which authenticity mediates the effect of CSR program on consumer attitude toward a brand.

Method and Data
This research applies the experiment design method and recruits 335 people to participate in the experiment. These participants were randomly allocated two scenarios (CRS programs: Institutional CSR vs. Promotional CSR) from two message sources (publicity vs. advertising). In the pretest for manipulated CSR programs, the participants were exposed to the message from one of the two sources and were asked to provide answers to questions regarding perceived CSR authenticity and brand attitudes.

Summary of Findings
The results suggest the differentiation effects of CSR programs when working with different information sources. Furthermore, the implementation of institutional CSR campaigns should be accompanied by advertising, while the execution of promotional CSR campaigns should be accompanied by publicity to foster a positive brand attitude among consumers. The mediating effects of the perceived CSR authenticity can explain the interaction effects.

Key Contributions
This study attempts to make the following contributions to the theories regarding CSR. First, the present study seeks to analyse whether the interaction between CSR programs and information sources have mediating effects on CSR authenticity, as perceived by consumers, and how it affects brand attitudes. Second, this research examines how the brand attitudes of consumers are reflected into the future financial performances of companies on an individual level. It is hoped that this approach can explain the variance of past research findings (Waddock and Graves, 1997; Waddock, Graves, and Gorski, 2000; Wang, Tong, Takeuchi, and George, 2016). Third, few scholars have discussed CSR types (Carrol, 1979), which leave the corporate world with no benchmarks. This study strives to classify CSR programs, in order to produce a template for management on the planning of day-to-day CSR activities. Finally, in terms of practical implications, by delving into the difference in information sources, this study hopes to provide insight on how companies should communicate CSR programs to consumers. An understanding of the information sources and communication techniques that should be used will help consumers to perceive authenticity.

References are available on request.

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Fit Isn’t Everything: A Moderated Mediation Model of Fit, Cause Involvement, and CSR Knowledge on Consumer Response to Cause-Related Marketing

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Keywords: cause-related marketing, cause-brand fit, cause involvement, perceived motives, CSR knowledge

Description: This study investigates when cause-brand fit influences consumer responses using field data.

EXTENDED ABSTRACT

Research Question
This research addresses the question of whether and when consumers positively respond to a retailer’s cause-related marketing campaign, based on cause involvement and CSR knowledge of the consumer.

Summary of Findings
This present paper finds that, in general, perceived motives fully mediate between cause-brand fit and consumer responses, and that the relationship between cause-brand fit and consumer responses is stronger when consumers are involved in the cause and have CSR knowledge about the brand.

Key Contributions
This research contributes to current research on cause-related marketing by extending findings into the field. This extension provides novel insights, such the importance of consumers’ knowledge of the retailer’s CSR practices for cause-related marketing campaigns to generate value.

References are available on request.
Research Questions

The increasing incidence of corporations involved in illegal activities makes the public skeptical of the motivation of CSR campaigns, thus, consumers have begun advocating authenticity assessments for CSR activities and environmental initiatives (Goffee and Jones 2005; Liedtka, 2008); however, there is very limited discussion about such issues in CSR literature (Beckman, Colwell, and Cunningham, 2009, Mazutis and Slawinski, 2015).

Since the possibility of the authenticity gap was proposed by Wicki and Kaaij (2007) on the relationship between the pursuit of a desired image and the engagement of CSR campaigns. There is still a lack of holistic CSR authenticity discussion. Once a company captures CSR authenticity, how should such authenticity be constructed to mitigate consumers’ doubts over CSR? In order to determine how to narrow the gap, this paper conducts a case study on the “The Body Shop” to understand how consumers evaluate CSR authenticity and construct a feasibility model for corporations.

Method and Data

This paper adopts the qualitative research method and conducts a case study on the “The Body Shop.” Since its inception, “The Body Shop” has opened more than 2,000 stores, which is considered to be the significant achievement of its CSR philosophy. This paper seeks to explore how consumers perceive the Body Shop’s CSR campaigns, in order to identify the essence of CSR authenticity and its correlation with the design and implementation of CSR activities, and constructs a theoretic model accordingly (Lee, Mitchell, and Sablinski, 1999).

The research data comes from interviews and secondary data, such as the information and media coverage on the CSR campaigns of the Body Shop. This paper conducted interviews with the company’s marketing manager, shop attendants, and consumers. A total of 12 people participated in this survey, each interview lasted 30 to 60 minutes, and the tape-recording files were transcribed and summarized. The interview questions focused on how consumers perceive the CSR activities, styles, and implementations of the Body Shop.

Summary of Findings

This study observed the six essentials of CSR authenticity, which are reflective of different authenticity types and hierarchical levels: the methods of production, relationships to place, heritage and pedigree, consistency, commitment to ethics, and emotional connections. This paper also finds that the information source exhibits interfering effects on authenticity in CSR communication with consumers.

Key Contribution

The present study attempts to make the following three contributions to CSR literature. First, this study seeks to explain the nature of CSR authenticity, on the basis of a schema, and
in combination with authenticity perspectives (Beverland, 2006). The robust theoretic foundation can provide more precise explanations about consumers’ doubts regarding CSR motivations. Second, with the construction of the hierarchy of CSR authenticity attributes, this study endeavors to draw a blueprint for successful CSR strategies, as based on insight into the implementation of CSR activities. Finally, this study conducts a thorough examination of CSR authenticity according to different contexts and scenarios. As there are different types of authenticity (Grayson and Martinec, 2004; Leigh, et al., 2006), this study intends to cover all authenticity types from the perspective of consumers, in order to provide guidance on how managers should plan their CSR activities on a day-to-day basis.

References are available on request.
Effect of Price Latitude on Donation: Mediating Role of Perceived Control

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Keywords: donation, perceived control, price sensitivity

Description: This research examines the effect of price latitude on consumer’s donation behavior.

EXTENDED ABSTRACT

Imagine you are dining at a restaurant and want to order dessert. In the menu, there are two price options stated: one offers a regular priced dessert (e.g. $8) and the other offers a higher priced dessert (e.g. $9, 10, 11 or more) with the following note stating if you buy this option, a specific amount (e.g. $3) will be donated to a certain charity. The second option pricing implies whether the restaurant may or may not contribute to the charity (e.g. $9 dessert and $3 donation mean $1 comes from the restaurant and $2 comes from the consumer; however, $11 dessert and $3 donation mean the restaurant does not contribute at all). Now, the question is which option do you select? Do you select to buy at regular price and not to donate or to pay for the higher priced dessert and contribute to a cause? What if in the second option sales price increases and therefore your out-of-pocket vs. the restaurant out-of-pocket donation amount increases (i.e. price latitude)? Does your donation behavior vary depending on how much you are asked to contribute to a cause-related product/service compare to how much the business contributes (i.e. contribution ratio)? To address these questions, this research examines the effect of price latitude on donation behavior. Additionally, it aims to answer why and when consumers’ tendency to donate changes.

Method and Data

The current study was a one factorial design with four conditions (no price difference, $1 price difference, $2 price difference and $3 price difference). 202 participants (59% male; mean age = 34 years) were recruited from MTurk online panel and randomly assigned to four experimental conditions. The price difference was depicted between the two options of the same dessert. In the menu that was given to the consumers, one dessert had the donation option, and another did not. After the respondents made the choice between the two options of a dessert, they were asked to write their thoughts, reactions, or ideas sequentially in the order that they occurred to them as they made the choice. Participants also answered questions related to their perceived control while choosing between the options. Next, they responded to the attention check question to make sure that they paid attention to the survey. Finally, participants were asked to answer demographic and lifestyle related questions such as gender, age, and whether they had a medical condition that restricted their diet (Thomas, Desai, and Srinivasan, 2011).

Summary of Findings

We found that 22 subjects failed to pass attention check questions, therefore, they were dropped from the results. We performed all the further analysis using 180 respondents (59% male; mean age = 34 years). We also found that the participants did not significantly differ on mood (F (3, 176) = 0.36; p = .833), thirst (F (3, 176) = 2.36; p = 0.07) and hunger (F (3, 176) = 0.88; p = .45).

Hypotheses testing. Hypothesis 1 predicts that consumers’ donation intentions decrease as the ratio of middleman’s (company) contribution in addition to consumers’ contributions to the cause decreases. To test this hypothesis, we conducted chi-square test for all four groups. Consistent with H1, we found that there was a significant difference between $1 and $3 donation options. In the $1
difference condition, 80.5% of consumers chose the dessert option with donation (80.5% vs. 19.5%; $\chi^2 = 7.15, p < .05$). But, in the $\$3$ condition, 80% of the consumers chose the dessert option with no donation (61.7% vs. 38.5%; $\chi^2 = 4.15, p < .05$). For the $\$2$ condition, there was no significant difference between the choices (46.3% vs. 53.7%; $\chi^2 = 1.15, p > .05$). Lastly, for the control condition, 78.4% subjects chose to donate (78.4% vs. 21.6%; $\chi^2 = 6.15, p < .05$). We conducted mediation analysis using Model 4 in PROCESS with 5,000 bootstrap samples, and found that perceived control positively mediate the effect of $\$1$ price difference on donation behavior ($b = .64, SE = .18; CI_{95} .30$ to $1.03$) but it has negative mediation effect of $\$3$ price difference on donation behavior ($b = -.52, SE = -.12; CI_{95} -.12$ to $-0.83$). Lastly, results show that perceived control does not mediate the effect of $\$0$ and $\$2$ on donation behavior (CI_{95} included zero).

**Key Contributions**

Managers can use the findings of this study to motivate the consumers to donate to various social causes. For instance, if managers show that they contribute more than the consumers in total donation amount, the consumer might be more willing to contribute to the donation. At the same time, managers need to be conscious of the fact when consumers realize they donate more than the middleman for a cause, their intentions to donate can decrease.

Despite having managerial and theoretical contributions, our research has several limitations. Future research needs to examine the effect of trustworthiness aspect of a company in donation. For instance, if the company has a strong image or has been perceived trustworthy, will that affect the consumers’ perceptions of control over the donation money. Second, as we used dessert option in the menu as the only food category for donation one can argue that dessert consumption is laden with guilt, therefore consumers are willing to donate when the price difference is perceived less. Therefore, it will be worthwhile to replicate the findings of this study using a more utilitarian product (i.e., virtue product).

*References are available on request.*
The Evolving Prosocial Consumer: How Highly Prosocial Consumers Respond to Firm Prosocial Action

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Keywords: prosocial consumers, prosocial firm action, CSR, socially focused consumption

Description: This research explores how socially focused consumers respond to socially focused firm behaviors (i.e. CSR).

EXTENDED ABSTRACT

Research Question
How do highly prosocial consumers perceive prosocial firm actions? By what mechanism do prosocial consumers respond to the firm’s prosocial actions (or not)? Are there boundary conditions that drive differential prosocial consumer perception and response?

Method and Data
This paper uses a mixed methods approach. We begin with in-depth interviews involving highly prosocial individuals. Qualitative analysis of these interviews distilled a series of hypotheses that were then tested through quantitative survey data using highly prosocial respondents.

Summary of Findings
Both qualitative and quantitative studies show that the link between prosocial personality and socially focused purchasing is mediated by the subject’s perceived importance of social awareness. This relationship is then moderated by the subject’s trust in advertising. When advertising trust is high, social awareness importance does not drive socially focused purchase behavior. When advertising trust is low, prosocial consumers purchase products with a prosocial element to drive awareness of social issues, because advertising cannot be trusted.

Key Contribution
This research exposes two constructs that help determine how socially focused consumers respond to socially focused products. The importance of social awareness mediates the link between prosocial personality and the intention to purchase socially focused products. This mediated linkage is moderated by the individual’s degree of advertising trust. Those who do not trust advertising are even more likely to purchase socially focused products as they see their purchasing behavior driving awareness. This knowledge is vitally important if we are to understand this rapidly growing consumer segment from both an academic and a management perspective.

References are available on request.

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The Effect of Children’s Facial Expressions in Eliciting Charitable Donations in the Context of Child Sponsorship Versus One-Time Donations

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Keywords: charitable donations, child sponsorship, empathy, distress, facial expressions

Description: People are more likely to choose children with sad facial expressions than children with happy facial expressions when they benefit children by making one-time donations, whereas people choose children with happy as often as sad expressions when they choose children to sponsor by making monthly donations and corresponding with the children.

EXTENDED ABSTRACT

Research Question
When people are asked to choose a child to sponsor by giving monthly donations and receiving ongoing photos and letters, are they more likely to choose sad-faced children than happy-faced children, as past research has shown this to be the case when people choose a child to benefit with a one-time donation?

Method and Data
The current research employs the experimental method with subjects recruited through an online (Amazon Mechanical Turk) panel.

Summary of Findings
The current research conducted experimental studies to examine the influence of facial expressions both in the context of one-time donations and in the context of recurring donations such as in child sponsorships, one of the most common types of fundraising for children’s charities. More participants chose sad-faced children over happy-faced children when making one-time donations, whereas participants chose children with happy as often as sad expressions in the sponsorship context.

Key Contributions
First, past research has shown that people who see children with sad facial expressions donate more to benefit those children than do people who see children with happy facial expressions, but this research has only been done in the context of one-time donations. The current research demonstrates that in the child sponsorship context, people choose children with happy facial expressions as often as they choose those with sad expressions. Second, prior studies have shown that people who saw children with sad facial expressions experienced greater empathy than those who saw children with happy facial expressions, but they did not distinguish empathic concern from empathic distress. The current research shows that sad facial expressions evoke greater empathic distress than happy facial expressions, but not greater empathic concern. Third, the current research reconciles conflicting evidence in prior research about the influence of empathic distress on benevolent behavior. The current research distinguishes experienced distress from anticipatory distress and suggests that experienced distress has a positive impact on benevolent behavior, whereas anticipatory distress has a negative impact.

References are available on request.

For further information contact: Hyunkyu Jang, Assistant Professor of Marketing, Governors State University (hjang@govst.edu).
On People and Brands: How Consumers Perceive, Interact With, and Communicate About Brands

Changing Brands and the Changing World: How Consumers and Firms React and Cope

The Extendibility of Brand Names: A Financial Perspective
Burcu Sezen, Dominique Hanssens

Decision Heuristics in a Changing Global World: The Influences of Specific COO Label Information and Brand Familiarity
Miao Zhao, Ruby Roy Dholakia, Kathleen Micken

Brand Transgression and Community Coping
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Realism of Brands and Consumption: Insights About Authenticity, Counterfeiting, and Stereotyping

Original Versus Counterfeit Patronage: Do Emotional Brand Attachment, Brand Involvement, and Past Experience Matter?
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Examining Positive, Negative, and Ambivalent Behavioral Consequences of Brand Stereotypes
Petar Gidaković, Vesna Zabkar

Factors Driving Purchase Intention of Counterfeit Toothbrush Brands and Their Effect on Loyalty Towards the Original Brand
Matthew Hala, Marike Venter De Villiers, Rejoice Mamina, Tinashe Chuchu

Unpacking Consumer Perceptions of Subject Authenticity
Xianfang Zeng

Consumers’ Self-Brand Connections: Investigations of Brand Image, Gender Identity, Corporate Reputation, and Luxury Consumption

The Malleable Self-Concept: Relationships Between Young Adolescents’ Self-Concept and Bandwagon Luxury Consumption
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Corporate Reputation as a Driver of Customer Engagement: Customer Trust and Commitment as Mediator and Brand Love as Moderator
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Positive WOM Valence Does Not Always Result in Favorite Outcomes: The Role of Perceived Conflict  
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What Is My Rank? The Effects of Brand Games’ Leaderboards on Brand Liking  
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Reciprocal Socialization and Consumer Brand Adoption  
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The Influence of Customer Variety and Brand Loyalty on the Purchasing of Umbrella-Branded Products  
Claudia-Roxana Rusu, Kerry T. Manis, Jean-François Trinquecoste, Dale F. Duhan

The Influence of Team Brand Image, Fan Engagement, Satisfaction and Fanship in Australian Soccer Fan Loyalty  
Jin Ho Yun, Philip J. Rosenberger III, Kristi Sweeney
The Extendibility of Brand Names: A Financial Perspective

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Keywords: brand extension, family brands, event study, brand dilution.

EXTENDED ABSTRACT

Research Question
Our analysis aims to assess the extendibility of brands, particularly from a financial perspective. We seek to understand whether spreading a brand over a large number of product categories lead to dilution or enhancement, and the conditions under which it does so. Further, we seek to understand if this family branding strategy creates financial synergies.

Method and Data
We make use of the unique structure of the Virgin Group which has individual brands organized at the firm level to examine this question. We use the Event-Study methodology to empirically assess whether typicality of parent brands and brand extensions play a role in the level of impact one has upon the other in the instance of a brand extension.

Key Contributions
This work contributes to the literature on the financial view of brand equity as well as to the literature brand dilution/enhancement effects following a brand extension. Because the majority of studies in the latter literature are based at the consumer level, our study makes an important contribution by approaching these issues at the financial level.

Our work also contributes to managers’ understanding of the financial consequences of their brand extensions, and to what degree brand dilution is a real threat at the financial level.

Summary of Findings
We found that brand extensions can have brand dilution effects at the financial level if the extensions are atypical. Therefore, broad brands do not always lead to financial synergies. In other words, we found that multicategory brands do not necessarily produce positive spillover at the firm level if they are too distant from the product category of the original (most typical) product category.

References are available on request.

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Decision Heuristics in a Changing Global World: The Influences of Specific COO Label Information and Brand Familiarity

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Ruby Roy Dholakia, University of Rhode Island
Kathleen Micken, Roger Williams University

ABSTRACT
This research explores how the economic development level of a country interacts with country-of-assembly and country-of-design to influence brand attitudes. In addition, we investigate whether the effects are consistent between familiar and unfamiliar brands and across product categories.

Keywords: country-of-origin, country-of-assembly, country-of-design, brand familiarity, brand attitudes

Description: This research tests the moderating role of brand familiarity in the relationship between country-of-origin (specifically country-of-assembly and country-of-design) and brand attitudes in the changing global context.

Introduction
Consumers face abundant choices across vast categories of products. In this multiproduct, multibrand, multiattribute environment, consumers frequently rely on decision heuristics to ease their cognitive burden of making choices. Because products and brands are available from many different countries, the marketing literature has paid considerable attention to the branding and country-of-origin (COO) decision heuristic.

The basic premise of COO research is that consumers prefer products from countries with favorable country images, usually countries exhibiting strong economic development (Koschate-Fischer, Diamantopoulos, and Oldenkotte 2012). For example, the products made in US and in Japan are more positively evaluated than those made in South Korea (Zhang 1996). In today’s globalized world, the traditional COO construct may no longer be relevant as products may be designed and assembled with contributions from many countries (Tran and Fabrize 2013). Thus, the COO construct now has multiple facets such as country-of-design (COD) and country-of-assembly (COA) (Li, Murray, and Scott, 2000).

Extant research on COA and COD, however, is not clear about whether countries with an overall favorable country image have favorable assembly and design images as well (Ahmed and D’Astous 1995; Insch and McBride 2004). As global sourcing becomes more widespread and varied, the relationships between a country’s economic development/image and COD/COA are also changing. Moreover, since consumers’ knowledge of and familiarity with brands affect their evaluations, brand familiarity acts as a moderator in these relationships (Koschate-Fischer et al., 2012).

In this paper we explore how specifying COO in terms of COD and COA influences brand attitudes and how a country’s perceived economic development/image interacts with COD and COA to influence brand attitudes. We also investigate whether the effects are consistent across familiar and unfamiliar brands and across product categories. We present two experiments using athletic shoes and mobile phones from two countries, the United States (U.S.) and South Korea. The U.S. has been identified as a country with a more favorable country image while South Korea holds a less favorable image according to available COO research (Koschate-Fischer et al. 2012; Ahmed and d’Astous, 2008).

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We find that (1) the impacts of COA on brand attitudes vary between familiar and unfamiliar brands, and (2) COA and COD operate in a similar manner regardless of the product category and the specific country associated with the brand.

Literature Review

Country of Origin as a Decision Heuristic

Research on COO effects is extensive. COO, stereotypical perceptions of a country (Liu and Johnson 2005), acts as an extrinsic cue (Manrai, Lascu and Manrai, 1998; Veale and Quester, 2009) but its effects appear to differ by product categories (Elliot and Cameron 1994; Pappu, Quester, and Cooksey 2006). The cueing process is likely to be ‘unconscious and automatic’ (Herz and Diamantopoulos 2013; Liu and Johnson 2005) and activated by stored associations that lead to inferences about product quality (Berry, et. al. 2015).

Furthermore, evidence clearly suggests that there exists a hierarchy of countries which influences consumer evaluations (Berry et al. 2015; Wang and Lamb 1983). In general, products from more developed countries (MDCs) have more favorable country images which leads to more favorable evaluations than products from less developed countries (LDCs) with less favorable images (Chao 1993; Usunier, 2011). For example, in the labeling of food, Berry et al. (2015) found consumers’ purchase intentions to be higher for beef from U.S. compared with beef from Mexico.

As previously noted, COD and COA are facets of the COO construct. They appear to be equally important in consumers’ product quality evaluations (Ahmed and D’Astous 1995; Insch and McBride 2004). However, Chao (1993) and Li, Murray and Scott (2000) argue that COD has a stronger impact on product evaluations than COA. Further, COD and COA effects weaken when additional cues such as brand name, price, and warranty are available (Ahmed and D’Astous 1995; Pharr 2005). While these studies suggest that favorable country images are associated with favorable design and assembly images, that association may be changing, as multinational companies increasingly move their design labs and assembly operations to other countries. In general, we argue that MDCs are more likely to be associated with design capabilities while LDCs are more likely to be associated with assembly capabilities. For example, China, a LDC with less favorable country image, is perceived as a manufacturing center but not a design center (Hamzaoui and Merunka 2006; Ahmed and D’Astous 2008).

Brand Familiarity

Two different perspectives offer insights into how COO and brand familiarity affect consumers’ product attitudes—the halo effect and the summary effect (Josiassen, Lukas and Whitwell 2008). The halo effect occurs when consumers with little knowledge of a specific product (Bilkey and Nes, 1982; Laroche et al., 2005) use general knowledge to make judgments about that product. For example, consumers’ general belief that German products are high quality make them infer that an unfamiliar refrigerator brand from Germany is also of high quality. On the other hand, the summary effect of COO occurs when consumers evaluate familiar products (Johansson 1989). In this case, positive experiences with one or more German refrigerators lead to more positive evaluations of an unfamiliar German brand refrigerator.

Existing evidence suggests brand familiarity moderates the impact of COO on product attitudes (Koschate-Fischer et al., 2012). A higher brand familiarity is more likely to lead to use of other information in memory such as brand image and current brand knowledge in addition to COO to evaluate the brand (Koschate-Fischer et al., 2012). When consumers are not familiar with a brand, they are more like to rely on COO as the primary cue to evaluate the brand (Josiassen, Lukas, &Whitwell, 2008). Therefore, when consumers are unfamiliar with a brand, they tend to rely on a halo of the country’s overall image to make a judgement. Since an MDC’s image is more favorable than an LDC’s, an unfamiliar brand—either COD or COA—from an MDC will be evaluated more positively than one from an LDC. On the other hand, when consumers are familiar with a brand, they will tend to rely more on the summary of past experiences. In the context of globalization, consumers’ familiarity with brands manufactured in LDCs (e.g. Apple, Nike, Levi’s) has led them to recognize the manufacturing capabilities of LDCs, and thus MDCs have lost their previous perceived advantage in manufacturing but enhanced their perceived competency in design. We propose:

H1: Brand familiarity moderates the COA effects on brand attitudes.

H1a: For an unfamiliar brand, brand attitude is more positive when a product’s COA is an MDC than an LDC.

H1b: For a familiar brand, brand attitude is more positive when a product’s COA is an LDC than an MDC.

H2: Brand familiarity moderates the COD effects on brand attitudes.

H2a: For an unfamiliar brand, brand attitude is more positive when a product’s COD is an MDC than an LDC.

H2b: For a familiar brand, brand attitude is even more positive when a product’s COD is an MDC than an LDC.

Methodology

Consistent with previous COO studies (Koschate-Fischer et al. 2012; Ahmed and d’Astous, 2008), we selected two countries for testing these hypotheses: the United States (U.S.) as
the MDC with a more favorable country image and South Korea as the LDC with a less favorable image. In Study 1, the product category was athletic shoes with Nike (U.S.) as the familiar brand and Kolon (South Korea) as the unfamiliar brand. In Study 2, the familiar and unfamiliar brands and countries were switched. This time, the product category was mobile phones with Samsung (South Korea) as the familiar brand and BLU (U.S.) as the unfamiliar brand. Using two different product categories allowed us to test hypotheses about brand familiarity's impact on COA and COD given differences between an MDC and an LDC.

Undergraduate students from universities in the northeastern United States were recruited to participate. In both studies, the hedonic and utilitarian dimensions of consumer attitudes toward products/brands (Voss, Spangenberg and Grohmann 2003) were measured as the dependent variables. Brand familiarity (Kent and Allen 1994) was also measured as the manipulation check. The scale reliabilities were found to be uniformly high in both studies.

**Study 1: Athletic Shoes (Nike and Kolon)**

A 2 (Familiar Brand (FB): Nike vs. Kolon) × 2 (COD: U.S. vs. S.K.) between-subject experiment was implemented. Participants were recruited via email and randomly assigned to one of the eight scenarios via a web-based survey. The stimulus was a visual image of the product, labeled with the brand name as well as COA and COD information. The task involved assessing the hedonic and utilitarian dimensions of the products. Ethnocentrism was also measured but it had no impact on brand evaluations. One hundred and fifty-one students (45% male, 55% female) participated in exchange for course credit.

**Results and Analysis**

A one-way ANOVA was performed and Nike was found to be highly familiar among student respondents compared to Kolon (MNike = 5.41; MKolon = 1.85; F(1,145) = 303.89, p < .001). Therefore, FB was manipulated successfully.

To test the 2-way interactions of FB with COA and with COD, a 3-way, full factor MANOVA with FB, COD and COA as independent variables and hedonic and utilitarian dimensions as dependent variables was conducted. The MANOVA showed both main effects of COA (Wilks’ Lambda = .996; F(2, 142) = .28, p = .76) and COD (Wilks’ Lambda = .992; F(2, 142) = .59, p = .56) were insignificant. Significant effects of FB*COA (Wilks’ Lambda = .912; F(2, 142) = 6.87, p < .01) and FB*COD (Wilks’ Lambda = .938; F(2, 142) = 4.68, p < .05) on the utilitarian and hedonic evaluations were identified, thus, both H1 and H2 are supported. Further analysis indicates the significant 2-way interaction effect between FB and COA for both the utilitarian (F(1, 143) = 12.72, p < .01) and hedonic dimensions (F(1, 143) = 10.72, p < .01), and the significant effect of FB * COD for the utilitarian (F(1, 143) = 5.84, p < .05) but not for the hedonic dimension (F(1, 143) = .15, p = .70).

Several ANOVAs were conducted to test the hypotheses H1a, H1b, H2a, and H2b. For the unfamiliar brand Kolon, shoes assembled in U.S., had higher scores on both the utilitarian (MU.S. = 4.04, MS.K. = 3.40, F(1,75) = 6.32, p < .05) and hedonic dimensions (MU.S. = 3.84, MS.K. = 3.44, F(1,75) = 3.61, p < .10) than shoes assembled in South Korea. H1a is supported. For the familiar brand Nike, shoes assembled in South Korea had higher brand attitudes than shoes assembled in the U.S. (Utilitarian: MS.K. = 5.30, MU.S. = 4.76, F(1,72) = 4.44, p < .05; Hedonic: MS.K. = 5.12, MU.S. = 4.54, F(1,72) = 5.30, p < .05). H1b is supported. For the unfamiliar brand Kolon designed in U.S. or in South Korea there was no difference in brand attitudes (Utilitarian: MU.S. = 3.70, MS.K. = 3.92, F(1,75) = 1.45, p = .23; Hedonic: MU.S. = 3.69, MS.K. = 3.58, F(1,75) = .27, p = .61). Thus, H2a is not supported. For the familiar brand Nike, shoes designed in U.S., had a higher utilitarian score than those designed in South Korea (MU.S. = 5.25, MS.K. = 4.79, F(1,72) = 3.11, p < .10). For the hedonic dimension, even though the difference was not significant (MU.S. = 4.93, MS.K. = 4.74, F(1,72) = .55, p = .46), it was in the direction we predicted. H2b is partially supported.

**Study 2: Mobile Phones (Samsung and BLU)**

To investigate whether similar relationships are observed when the brand is highly familiar but from an LDC competing in a market where there are less well-known MDC brands, the second study repeated the research design with Samsung as the familiar, dominant mobile phone brand from South Korea and BLU as the unfamiliar brand from the U.S. The second experiment duplicated the methodology used for athletic shoes. One hundred seventy-five undergraduate students participated in the study (45% male, 55% female).

**Analysis and Results**

One-way ANOVA was conducted to perform the manipulation check and revealed that Samsung (M = 4.14) was highly familiar among the student respondents compared to BLU (M = 1.82) (F (1,160) = 216.46, p < .001). FB was manipulated successfully.

The analyses were repeated. MANOVA analysis indicated insignificant COA (Wilks’ Lambda = .997; F(2, 161) = .26, p = .78) and COD (Wilks’ Lambda = .996; F(2, 161) = .33, p = .72) main effects and significant FB*COA (F(2,161) = 4.51, p < .05) and FB*COD (F(2,161) = 2.97, p = .05) effects on utilitarian and hedonic evaluations. Therefore, H1 and H2 are supported, the same results as in Study 1. Specifi-
cally, FB*COA had significant impacts on both utilitarian (F (1,162) = 7.72, p < .05) and hedonic evaluations (F (1,162) = 6.47, p < .05). As in Study 1, FB*COD only significantly affected the utilitarian evaluation (F (1,162) = 5.78, p < .05) but not hedonic (F (1,162) = 1.05, p = .31). Moreover, ANOVAs were conducted to test H1a, H1b, H2a, and H2b. First, the unfamiliar brand BLU, assembled in U.S., had higher brand attitudes than those assembled in South Korea (Utilitarian: MU.S. = 4.27, MS.K. = 3.90, F(1,82) = 7.41, p < .05; Hedonic: MU.S. = 4.37, MS.K. = 4.01, F(1,85) = 4.00, p < .05). H1a is supported. Secondly, the familiar brand Samsung, assembled in South Korea, had a higher hedonic evaluation than phones assembled in U.S. (MU.S. = 4.91, MS.K. = 4.28, F(1,85) = 1.00, p = .32). H2a is not supported. Finally, the familiar brand Samsung, designed in U.S., had a higher utilitarian evaluation than phones designed in South Korea. (MS.K. = 4.23; F(1,86) = 3.19, p < .10) but not for the hedonic evaluation (MU.S. = 4.15, MS.K. = 4.04, F(1,84) = .27, p = .61). H2b is partially supported. Results are summarized in Table 1.

**Discussion**

The two experimental studies presented here offer some interesting insights into the complex relationships among brand familiarity, COA and COD. Different from previous research (Ahmed and D’Astous, 1995; Insch and McBride 2004), we found neither significant COA nor COD main effects, perhaps because our participants perceive South Korea as both a manufacturing and design center, due to its recent rapid economic development and its ownership of many well-known brands.

As proposed, familiarity with the brand was an important moderator of the COA effect on respondent attitudes in both studies. These studies also support the hypothesis that attitudes toward unfamiliar brands assembled in an MDC will be more positive than those toward brands from an LDC. Therefore, when introducing a new product, or an existing product with low brand familiarity, marketing should emphasize the product’s COA if the product is assembled in an MDC. When the brand is highly familiar, consumers’ attitudes toward brands assembled in LDCs will be more positive regardless of the specific country associated with the brand. Therefore, well-known brands may benefit from assembling their products in an LDC due to both reduced manufacturing costs and enhanced brand attitudes.

Brand familiarity also moderated the impact of COD on brand attitudes in both studies. Even though our results do not support H2a (consumers’ attitudes toward unfamiliar brands designed in an MDC are higher than for those designed in an LDC), we did provide evidence that the impact of COD on the hedonic dimension of brand attitudes is stronger for familiar brands than unfamiliar brands. Thus,

### Table 1. Results of ANOVAs in Study 1 and Study 2

<table>
<thead>
<tr>
<th>Study &amp; Product Category</th>
<th>Brand Category</th>
<th>DV</th>
<th>COA</th>
<th>COD</th>
</tr>
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<tbody>
<tr>
<td><strong>Study 1: Athletic Shoes</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Unfamiliar Brand (Kolon)</td>
<td>UT</td>
<td>4.04</td>
<td>3.40</td>
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<td></td>
<td></td>
<td>HED</td>
<td>3.84</td>
<td>3.44</td>
</tr>
<tr>
<td></td>
<td>Familiar Brand (Nike)</td>
<td>UT</td>
<td>4.76</td>
<td>5.30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HED</td>
<td>4.54</td>
<td>5.12</td>
</tr>
<tr>
<td><strong>Study 2: Smartphone</strong></td>
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<tr>
<td></td>
<td>Unfamiliar Brand (BLU)</td>
<td>UT</td>
<td>4.27</td>
<td>3.90</td>
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<tr>
<td></td>
<td></td>
<td>HED</td>
<td>4.37</td>
<td>4.01</td>
</tr>
<tr>
<td></td>
<td>Familiar Brand (Samsung)</td>
<td>UT</td>
<td>n.s.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>HED</td>
<td>3.91</td>
<td>4.27</td>
</tr>
</tbody>
</table>

UT = Utilitarian Dimension; HED = Hedonic Dimension
** Hypothesis supported
* Hypothesis partially supported

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disclosing COD information was found to only marginally affect consumers’ utilitarian dimension of attitudes toward familiar brands but indicated little impact on attitudes toward unfamiliar brands.

Our research also found that COA and COD operated in a similar manner regardless of the product category and the specific country associated with the brand. Study 2, which reversed the brand familiarity/country economic development association and used a different product category, demonstrated that product category and brand origin had no impacts when consumers develop attitudes toward brands using COA and COD cues.

Our results also suggest important implications for companies located in both MDCs and LDCs. When their brands are unfamiliar (i.e. when brands are just introduced), companies should manufacture/assemble unfamiliar brands in an MDC since COA in an MDC is preferred for unfamiliar brands. After the brands have gained awareness, companies could then outsource their manufacturing to LDCs to lower costs and improve brand attitudes.

**Conclusion**

The current research has several limitations. The studies used a convenience sample of U.S. students. However, we used products—athletic shoes and mobile phones—commonly purchased by this consumer segment. Future research could adopt nonstudent samples and other product categories. Second, we consciously incorporated South Korea, which has received less attention than other Asian countries such as Japan and China. As a country owning many well-known consumer brands (Samsung, LG, Hyundai, and Kia) but not yet among the top 10 economies, South Korea is expected to have different country, assembly and design images than other Asian countries. Future research should use other MDCs and LDCs to test whether these results can be generalized. Finally, we only measured the hedonic and utilitarian dimensions of attitudes as dependent variables. Other consumer responses such as perceived quality, intention to purchase, and willingness to pay could be incorporated in future research.

**References**


Brand Transgression and Community Coping

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Keywords: brand community, collective coping, brand transgression, brand scandal, brand crisis

Description: Drawing on brand community literature, brand transgression research, and collective coping studies, this paper discusses how membership duration and community participation immediately before and after a severe brand transgression affect the likelihood of member’s exiting the community.

EXTENDED ABSTRACT

Research Question
Extant literature suggests that commitment toward the brand is a key factor that influences the outcome of brand crises (Li and Wei 2016). Among the most committed and valuable customers are brand community members (e.g., Muñiz and O’Guinn 2001; Algesheimer et al. 2005). In a brand crisis, brand communities become focal points for members to discuss and cope with transgressions (Muñiz and Schau 2005).

If brand community members cope by providing support and other positive activities during the coping period, transgressions may strengthen relationships with the brand and other among community members (Aaker et al. 2004; Weijo and Rintamäki 2014). However, prior research suggests that brand community members may turn on firms they feel have betrayed them (Muñiz and O’Guinn 2001). In response, members may choose to abandon the brand and exit the community. Furthermore, since longer term members and more frequent participants tend to have the highest brand expectations, they may be the most prone to leave. This raises the question: does membership duration and participation in a brand community during the critical coping period increase or decrease the likelihood of exiting the community when consumers are confronted with a severe brand transgression such as a scandal?

Method and Data
We chose the Volkswagen emission scandal as our study context due to (1) the magnitude and severity of the transgression, (2) the considerable size of the Volkswagen brand community, (3) its structure as a typical online brand community with forums dedicated to specific product brands under the overarching brand, and (4) some of the forums were dedicated to product models that were impacted by the scandal, while others were not.

Longitudinal data from June 26, 2015 to October 13, 2016 was collected. The coping period was defined as a period spanning from September 18, 2015, when the scandal became known, to October 15, 2015. This time frame was selected because the extant literature suggests that coping usually consists of the first few weeks immediately after a scandal (Lyons et al. 1998; Weijo and Rintamäki 2014). We gathered data on members’ participation in the overarching VWVortex community and in each of the individual product forums, as well as the date each member first joined the community and the last date on which a member participated. The resulting dataset contains each member’s participation, membership duration, and exiting date. Analyses are conducted using the Cox PH model.

Summary of Findings
The results support H1, which predicted that the more involved members are in coping (relative to their overall community participation), the less likely they will exit afterwards. The competing hypothesis, H2, is not supported. H3 is also supported, which predicts that longer membership...
duration in the brand community reduces the likelihood to exit after the coping period.

The results support H4a and H4b, which predicted that the more posts a member generated across forums immediately prior to the transgression (H4a) and during the coping period (H4b) leads to a reduced likelihood to exit the brand community afterwards. Therefore, frequent participation in the brand community, regardless of the time period, leads members to be less likely to exit in the face of a transgression.

H5 predicted that members who participate in forums dedicated to product brands directly impacted by a brand transgression during the coping period will be more likely to exit the community. H5 is not supported, as the results indicate that members who participate in forums dedicated to product brands directly impacted by a brand transgression during the coping period will be less, rather than more, likely to exit the community afterwards than those who participate in the non-impacted forums.

**Key Contributions**

Overall, the results reveal that brand community involvement buffers firms from the consequences of brand transgression. More importantly, this paper resolves a long-lasting theoretical disagreement regarding the effectiveness of community coping endeavors by offering empirical results from a natural setting. The results suggest that higher participation in threads addressing the transgression may, ironically, hurt the community and the brand. However, if the member’s participation is disproportionately focused on coping discussion, the likelihood of exit is reduced.

The existing brand transgression literature suggests that consumers tend to abandon brands whenever the transgression is personally relevant. Our findings reveal that brand communities can reduce this tendency. Notably, our results indicated that posts scandal participation in impacted forums of nonpremium models reduces a member’s likelihood to exit. However, our study provides initial evidence that members of premium brands might be more reluctant to forgive.

Our findings carry important implications for firms that benefit from brand communities. Generally, active participation in brand communities will shield the brand from the negative effects caused by transgressions. However, managers and community coordinators should encourage consumers to focus on the transgression and then move on quickly in order to maximize the benefits of community-based coping behavior.

*References are available on request.*
Original versus Counterfeit Patronage: Do Emotional Brand Attachment, Brand Involvement, and Past Experience Matter?

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Sadia Haque, Northumbria University

Keywords: emotional brand attachment, brand involvement, past experience, counterfeit, original brand

Description: This study identifies the relative stronger effect of emotional brand attachment over brand involvement in patronizing original branded products and in helping to deter counterfeit patronage.

EXTENDED ABSTRACT

Research Question
While developing and maintaining emotional brand attachment and brand involvement with consumers has increasingly become a strategic marketing endeavor of luxury brands, a key question, however, is whether emotional brand attachment or brand involvement is more apposite to warrant a luxury brand’s performance and, in the meantime, safeguard the original brand from counterfeits. Specifically this research addresses these questions: How emotional brand attachment affect consumer original/counterfeit patronage? How brand involvement affect consumer original/counterfeit patronage? How past experience of original/counterfeit brands moderate the relationships between emotional brand attachment/brand involvement and original/counterfeit patronage?

Method and Data
To address this research question a field survey was conducted. To test the hypotheses data were collected using paper and pencil survey method from Chinese consumers in shopping malls which are known for selling trademark-infringing products and counterfeits are displayed and traded openly. Two hundred and sixty-six Chinese consumers participated in this research. Unless noted otherwise, all multi-item scales were assessed using a seven-point Likert format (strongly disagree to strongly agree). The measurements show sufficient reliability. AMOS 25 path analysis was used to model the proposed relationships. Emotional brand attachment and brand involvement were allowed to correlate in the path model. For the basic model, the measures of overall fit generally meet conventional standards, which suggests that the model fits the data well. Multiple group modelling was used to test the moderated model. Median split was conducted along the values of the moderators, one with low values for the moderator (e.g., consumers with a low level of original experience) and the other with high values (e.g., consumers with a high level of original experience).

Summary of Findings
This paper reveals that emotional brand attachment is a stronger influencer than brand involvement to escalate original brand patronage although the effect of brand involvement is also significant. On the contrary, while improved brand involvement pushes consumers to patronize counterfeits, higher emotional brand attachment does not result in increased counterfeit patronage. These effects do not vary as a function of previous experience of either originals or counterfeits. Thus, if the main purpose of a marketing strategy is to enhance brand performance, improving emotional brand attachment will result in a statistically significant better outcome than increasing brand involvement.

Key Contributions
Findings of this research contribute to brand literature by presenting empirical evidence of distinct influence of emotional brand attachment over brand involvement, which bear significant practical implications in relation to strategic brand management and anticounterfeiting strategies. This finding is of significant importance to managers. If the objective of marketing campaigns is to lessen demand for counterfeit,
increasing brand involvement will bring opposite results to what was planned, whereas improving emotional brand attachment is unlikely to affect demand for counterfeits. This research is one of the few which provides empirical evidence of a possible moderating effect of original experience and counterfeit experience on the relationships between emotional brand attachment/brand involvement and original/counterfeit patronage. Practitioners are very concerned that increased counterfeit experience might mitigate marketing endeavors. Despite the concern, the findings of this research suggest that the level of previous experience of either originals or counterfeits does not have a statistically significant effect on emotional brand attachment or brand involvement’s role in patronizing originals or counterfeits.

References are available on request.
Examining Positive, Negative, and Ambivalent Behavioral Consequences of Brand Stereotypes

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Vesna Zabkar, University of Ljubljana

Keywords: brand stereotype, Stereotype content model, warmth, competence, brand perception

Description: This research extends brand stereotyping research by focusing on consumers’ negative and ambivalent emotional and behavioral reactions to brand stereotypes.

EXTENDED ABSTRACT

Research Question
Building on brand stereotyping literature, we investigate how specific combinations of brand’s warmth and competence elicit distinct positive, negative or ambivalent emotional and behavioral reactions, as predicted by stereotype content model (SCM). We conceptualize four customers’ behavioral intentions that correspond to stereotype triggered behaviors of SCM: customers’ positive responses to brand stereotypes (purchase intentions and positive word of mouth), negative behavioral responses (brand avoidance and negative word of mouth) as well as ambivalent behavioral responses (a combination of positive and negative intentions).

Method and Data
We test our hypotheses in two studies: Study 1 is based on a survey of 470 European respondents recruited from a professional online panel that were randomly assigned to evaluate one of eight brands, four positively and four negatively stereotyped (between-subjects design). Data on their emotional and behavioral responses was analyzed using structural equation modeling. Study 2 is based on a sample of 308 U.S. respondents recruited from a professional online panel that were evaluating positively, negatively and mixed stereotyped brands from a selected product category (single factor within-subject design). CFA and Process (Model 4) were used to test hypotheses.

Key Contributions
By conceptualizing and empirically validating the four types of behavioral intentions, we test the full SCM in branding setting and advance brand stereotyping knowledge. The existing brand stereotype literature largely disregards consumers’ negative or ambivalent behavioral responses to stereotypes. To the best of our knowledge, this is the first study to employ specific combinations of warmth and competence to elicit consumers’ positive, negative or ambivalent emotional reactions as well as behavioral intentions, e.g. the two types of mixed brand stereotypes that elicit emotions of envy and pity and in turn affect ambivalent behaviors. As such, the paper contributes to customer negativity and ambivalence literatures. For managers, our research calls attention to measuring brand stereotypes as indicators of brand perceptions and to be cautious with brands that are perceived as cold and/or incompetent.

Summary of Findings
Our findings show that the effect of positive brand stereotypes (high warmth, high competence) on to purchase intentions and positive word-of-mouth is mediated through consumers’ admiration of the brand. Negative brand stereotypes (low warmth, low competence) directly influence brand avoidance, while their effect on NWOM behavioral responses is mediated through contempt. Both types of mixed brand stereotypes (high warmth/low competence and low warmth/high competence) lead to ambivalent behavioral reactions (brand avoidance/PWOM and NWOM/purchase intentions). These effects are mediated through pity and envy.

References are available on request.
Factors Driving Purchase Intention of Counterfeit Toothbrush Brands and Their Effect on Loyalty Towards the Original Brand

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Marike Venter De Villiers, University of the Witwatersrand
Rejoice Mamina, University of the Witwatersrand
Tinashe Chuchu, University of Pretoria

Keywords: counterfeits, toothbrushes, loyalty, purchase intention

Description: The paper sort-out to investigate the factors that influence purchase intention of counterfeit toothbrush brands and their impact on loyalty towards the original brand.

EXTENDED ABSTRACT

Counterfeiting is a significant and growing issue globally. This paper investigated consumer attitudes toward counterfeit toothbrush brands. A quantitative survey was administered to 293 Generation Y consumers in Johannesburg. The results indicated that product availability and attitude positively influenced purchase intention of counterfeit toothbrushes. Marketing implications were established from findings.

References are available on request.
Unpacking Consumer Perceptions of Subject Authenticity

Xianfang Zeng, University of Calgary

Keywords: object authenticity, subject authenticity, existentialism

Description: This research focuses on subject authenticity, which is different from object authenticity, and suggests four antecedents to perceived subject authenticity from the existentialist perspective.

EXTENDED ABSTRACT

Research Question
The current work begins with asking this question: what are the targets of authenticity perceptions? The types of authenticity are divided in terms of objects and subjects. In the marketing domain, objects are market offerings such as physical products, intangible services, communication messages, etc., whereas subjects are firms that provide these offerings.

Despite extensive research about authenticity (e.g., Grayson and Martinec 2004; Napoli et al. 2014; Newman and Dhar 2014), more inquiries should be devoted to subject authenticity. This is simply because “what a firm is” carries greater significance than “what it does and has.” A research framework is proposed by drawing upon (a) the existentialist arguments about three states (i.e., doing, having, and being) and (b) a doing/being distinction in the context of cultural differences. “Being” is more indicative of the self, but “doing” and “having” are facilitative in developing “being” (that relates to subject authenticity).

Method and Data
I conducted a text analysis of more than five years of restaurant reviews posted on Yelp to figure out the patterns of consumers’ interpretations about subject authenticity. The reviews were especially about restaurants rather than merely their offerings such as foods, menus, and services. It showed that consumers sought cues to assess the authenticity of restaurants. The assessment is dependent on what the restaurants do and have.

Summary of Findings
The first antecedent to perceived subject authenticity from the “doing” aspect is the claim/value-behavior match. As for restaurants, the key hallmark of the match is the quality of their provided foods or services. More importantly, restaurants need to keep the quality consistent over time. Otherwise, consumers may interpret temporary quality improvement as a marketing tactic. So, the second antecedent is the consistency among a series of practices or behaviors. Furthermore, perceived authenticity is not only about consistent food and service quality. As the third antecedent, the external relationships that organizations possess and maintain are derived from the “having” aspect. As Okabe (1983) concluded in terms of being-oriented cultures, relationships are very important to define the “being” state. The relationships can be a firm’s closeness to its stakeholders such as consumers and employees. Some reviews mentioned the characteristics of the stakeholders of focal restaurants. For instance, an authentic Mexican restaurant is “the chef isn’t American,” and “when you walk in the door...they are all full of Latinos.” The fourth antecedent is organizational identities that can be observed. A restaurant’s identity can be its service attributes (e.g., “serve all the traditional plates”) and decoration (e.g., “[the restaurant atmosphere] is authentic[ally] styled”).

Key Contributions
Authenticity enhances the effectiveness of persuasion messages (Labrecque, Markos, and Milne 2011) and the purchase intention (Napoli et al 2014). Marketers deem authenticity as a conduit for establishing consumer connections that go beyond economic transactions. On the surface, a consistent theme emerges in the authenticity research that being authentic amounts to being “genuine, real, and/or true” (Beverland and Farrelly 2010, p. 839). More in-depth but divergent findings point to the necessity to distinguish
between different targets of authenticity, that is, either objects or subjects. Theoretically, this research sheds light on subject authenticity that is understudied in prior research. Practically, the present work offers some clues on how consumers form their perceptions of subject authenticity so that marketers could communicate authenticity more effectively.

References are available on request.
The Malleable Self-Concept: Relationships Between Young Adolescents’ Self-Concept and Bandwagon Luxury Consumption

Shayan Shaikh, University of Warwick

**Keywords**: adolescents, self-concept, luxury consumption, susceptibility, status-seeking, uniqueness

**EXTENDED ABSTRACT**

**Research Question**

Young adolescents’ are at a pivotal age where formation of the self-concept takes place through congruence of underlying genetic disposition and deep-rooted personality traits paired with values for an ideal self-concept that is derived from the social environment (Ahuvia, 2005; Claiborne and Sirgy, 2015). Whereas research has focused on adults (Han, et. al., 2010), branded babies (Linn, 2004) and teenagers (Gil., et al, 2012) not much has been spoken about a strata of individuals that are at the crossroads of entering adulthood and rely on consumption and many a time on luxury goods to define and elucidate their identity.

The purpose of this research is to explore the motivations of a strata of a population that neither categorizes as adults or children but rather are at a stage where they are still trying to develop their identity to analyze what personality traits are most eminent in the formation of the self-concept with reference to bandwagon luxury consumption. We use empirical research to investigate how the interdependent and independent self-concept relates to personality traits which include susceptibility to normative influence, need for uniqueness and status-seeking which in turn impact consumption of bandwagon luxuries for young adolescents.

**Method and Data**

A purposive sampling technique was used to collect data from 421 children aged 13 to 15 studying in four different private schools of Lahore, Pakistan. Pen-paper surveys were filled by students of grade 7 to 10 in class-room setting. The tuition fees of these schools was an indicator to establish that they cater to Socio-Economic Class A of Pakistan. A seven-point Likert scale ranging from Strongly Disagree to Strongly Agree was used to measure the items. All the constructs in the scale have been adapted from the literature. SPSS AMOS 24 has been used for analysis through Structural Equation Modeling to develop a measurement model and a structural model to analyze the hypotheses (Anderson and Gerbing, 1988). First the constructs are analyzed using a measurement model to validate them for psychometric properties followed by an analysis of the relationships between the proposed hypotheses in a structural model.

**Key Contributions**

This research is the first to evaluate the antecedents of motivation towards bandwagon luxury consumption for young adolescents’ aged 12-15 in Asia. It clarifies that in different countries and societies the youth has different incentives to consume luxury. Whereas Brazilian youth primarily focuses on conspicuousness and materialism when consuming luxury goods (Gil et. al., 2012) normative influence is the primary reason for consumption of luxuries for adolescents of Asia (Park et. al., 2008). The dissimilarity in findings can be attributed to individual differences in buying behavior across cultures and societies to purchase luxuries. Brand managers targeting teenagers can use the knowledge that young adolescents’ become luxury bandwagoners for assimilation with friends from social groups and to associate with opinion leaders from popular culture (Wiedmann et. al., 2009). Price discrimination within a product-line for different connotations of style can lead to an effective market differentiation strategy with collections constantly evolving as ‘Most Popular’, ‘Bestseller’, and ‘Special-Edition’ to cater to and enhance normative needs (Lastovicka, 1982). At present some brands like Adidas are strategically using this understanding to target teenagers with their Superstar trainers through conventional advertising that includes TVCs as well as streamlined vlogs by YouTube child celebrity Jes-

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For further information contact: Shayan Shaikh, University of Warwick (s.shaikh.3@warwick.ac.uk).
salyn Grace who advocates and endorses the Adidas line. This type of marketing is cost-effective and can successfully gain market share from competitors.

**Summary of Findings**

The standardized path coefficients for all the direct paths are significant except for the relationship between interdependent self-concept and need for uniqueness and independent self-concept and status-seeking. Most hypotheses are supported and interesting insights are gained from those that are not. The negative relationship between need for uniqueness and bandwagon luxury consumption is congruent with the results of the adult population of previous research conducted in Asia (Shaikh et. al., 2017). On the other hand, an insignificant positive relationship between the independent self-concept and status seeking and a negative relationship between the interdependent self-concept and status-seeking reveals that adolescents have not mapped an understanding of status at a malleable age of 13 to 15 with luxury and these children purchase well-liked luxuries primarily due to normative influence. This is supported by the results of Park et. al., (2008).

*References are available on request.*
Corporate Reputation as a Driver of Customer Engagement: Customer Trust and Commitment as Mediator and Brand Love as Moderator

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Keywords: corporate reputation, customer engagement, trust, commitment, brand love

Description: Using two serial studies based on experiment and survey design, this study shows the mediating effect of trust and commitment between corporate reputation and customer engagement and the moderating effect of brand love on customer engagement.

EXTENDED ABSTRACT

Research Question
Researchers who have studied customer engagement (CE) have suggested three possible antecedents of CE: customer-based, firm-based, and context-based (van Doorn et al., 2010). Many studies have investigated customer-based antecedents, including customer satisfaction (Anderson and Mittal, 2000), brand commitment (Garbarino and Johnson, 1999), trust (de Matos and Rossi, 2008), brand attachment (Schau, Muñiz, and Arnould, 2009), and brand performance perceptions (Mittal, Kumar, and Tsioros, 1999). Yet, there has been relatively little attention paid to firm-based antecedents. This study examines whether corporate reputation, a firm-based factor and the most reliable indicator of a firm’s competencies (Keh and Xie, 2009), leads to CE. As the second research question, we investigate whether reputation-induced relational outcomes (i.e., trust and commitment) mediate the relationship between corporate reputation and CE. Lastly, Pansari and Kumar (2017) argue that customer emotions developed through experiences with a firm may influence CE. Thus, we examine whether brand love, as a customer’s emotional response, moderates the impacts of the relational outcomes on CE.

Method and Data
This research consists of two studies: an experimental study (Study 1) and a survey study (Study 2). In Study 1, based on 2 (corporate reputation: high vs. low) × 2 (offering type: product vs. service) hypothetical firm-based scenarios, a total of 193 data were collected through the snowball sampling technique.

The data from Study 2 were obtained with 20 survey questionnaires based on 20 companies from Fortune 500. Amazon Mechanical Turk was utilized to collect a total of 183 usable responses. To measure customer perceptions of corporate reputation, we used a customer-based corporate reputation (CBR) scale, which includes five dimensions: customer orientation, good employer, product and service quality, reliable and financially strong company, and social and environmental responsibility (Walsh et al., 2009).

Summary of Findings
Using PROCESS macro (Hayes, 2013), Study 1 found evidence of full mediation of customer trust and commitment between corporate reputation and CE. Furthermore, the moderated mediation analysis revealed that brand love moderates the impact of customer commitment built on corporate reputation on CE, but this was not the case for customer trust.

Replicating Study 1’s results, Study 2 measured the five dimensions of CBR and confirmed the mediating role of customer trust and commitment between CBR and CE. Interestingly, the dominance analysis showed that customer trust, commitment, and CE may be influenced by different aspects of corporate reputation. More precisely, a reputation...
as a good employer has the greatest impact on trust, whereas customers may commit to a firm when perceiving that firm as high-quality and financially strong. Also, when customers perceive a firm’s reputation through its reliability and financial strength, they are more likely to show engagement with the firm.

**Key Contributions**

This study confirmed that corporate reputation is a crucial firm-based driver of CE. To our knowledge, there is little research that investigates the impact of corporate reputation on CE. Thus, this finding contributes to the marketing literature on the antecedents of CE. The findings regarding the full mediation of customer trust and commitment provides insights into how building trust and commitment is important to obtain benefits from customer engagement, as corporate reputation does not have a direct impact on CE. The moderating effect of brand love on the impact of commitment implies that emotional responses (i.e., brand love) strengthen the effect of the affective relational factor (i.e., commitment) on CE rather than the cognitive relational factor (i.e., trust).

This research also provides the managerial implications for customer relationship management, as well as resource allocations to customer segments classified by different levels of brand love. In Study 2, the dominance analysis, which ascertains the relative impact of each dimension of corporate reputation on trust, commitment, and CE, provides managerial insights into resource allocation to improve diverse aspects of corporate reputation. By using two serial studies, this research establishes stronger generalizability and provides a better understanding of the underlying mechanism that explains the reputation-induced trust-commitment-CE link.

*References are available on request.*
The Role of Gender Identity on Building Consumer Brand Relationship: SEM and FsQCA Findings

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**Keywords:** gender identity, self congruity, brand relationship, brand connections

**EXTENDED ABSTRACT**

**Research Question**
This study examines gender identity and self-concept as two independent and inter-related concept, and investigates how multifactorial gender identity, rather than singular biological sex, serves as an influencing factor of self-congruency, and how that further affect brand relationship.

**Method and Data**
Using survey data from Generation Y consumer cohorts, the study combines SEM and FsQCA to examine the impact of multifactorial gender identity on consumers’ brand relationship.

**Key Contributions**
Theoretically, biological deterministic perspective does not explain the relationship between gender and consumers’ brand relationship formation. The results support multifactorial gender identity theory and discard the notion that traditional biological sex descriptors adequately predict gender-related consumer behavior. Moreover, the findings show that brand connections are inextricably linked to consumer relationship. The study puts forward an interdisciplinary framework, incorporating gender and self-congruity, geared toward robust and contemporary brand relationship management.

Managerial Implications: first, Market segmentation counsels that brand managers must carefully target gender-based segments in order to create positive brand image. On the basis of this research, if marketers “just do business as usual” and segment consumers by the physiological sex categorization, they would miss potentially beneficial segmentation opportunities that may hurt their allocation of marketing resources. Marketers need to use multifactorial gender identity to devise a typology of a brand along gender dimensions and with the view of providing strategic inputs on how to characterize a gendered brand. Second, Brand managers—especially those in a product sector where gendered identities are prevalent—should imbue a clear brand image and tailor it to match the self-concept of target consumers.

**Summary of Findings**
First, the biological sex has no effect on consumers brand connections, and men and women are not different in both self-brand connection and functional brand connection. On the other hand, the results suggested that femininity has a strong effect on self-brand connection and can also positively influence functional brand connection, while masculinity can influence functional brand connection, but not self-brand connection. Second, We also find that, egalitarian gender role attitude can positively affect both self-brand connection but it affects functional brand connection in a negative way. Third, The results also support that both self-brand connection and functional brand connection lead to strong brand loyalty. While self-brand connection affects brand attachment, functional brand connections has a negative significance on brand attachment.

References are available on request.

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Servicescape and Brand: The Moderating Role of Word-of-Mouth

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Keywords: servicescape, brand image, brand love, word-of-mouth

Description: This paper empirically examines the relationship between servicescape satisfaction, brand image, and brand love, as well as the moderating role of word-of-mouth (WOM) in this relationship. An expanded conceptualization of servicescape is tested.

EXTENDED ABSTRACT

Research Question
This paper empirically examines the relationship between servicescape perceptions, brand image, and brand love, as well as the moderating role of word-of-mouth (WOM) in this relationship.

Method and Data Used
This study uses a quantitative design with empirical testing. We collected online survey data involving an experimental design from a total of 720 college students from three large universities in the United States in Fall 2018. The data contains measurements on servicescape satisfaction, brand image, brand love, and WOM.

Key Contributions
An investigation of this complex model makes several contributions to the literature. First, although prior research demonstrates that the influence of servicescape manifests itself in many different ways, the impact on brand image and brand love is not well understood. This study offers empirical evidence concerning these relationships, and also contributes to the relatively new area of inquiry concerning brand love. The latter will hopefully generate meaningful, practical implications given the importance of brand love as the ultimate marketing goal for brand managers.

A second contribution is that this research tackles the boundary conditions of servicescapes’ impact by investigating the moderating effect of WOM, specifically the source and valence of information offered by others. While some studies have examined how servicescapes may encourage WOM, we explore a different angle and suggest that WOM affects how the recipient of such communications views brand image.

Third, in this study, servicescape is comprised of ambient conditions, physical spaces, social interactions, and safety elements. Thus, this investigation incorporates an expanded conceptualization of servicescape. This broader perspective is warranted because: (1) safety is a basic need that individuals actively seek, and (2) the perception of safety is fundamental in influencing consumers’ approach and avoidance behaviors to any servicescape. Unfortunately, safety has largely been ignored as a key dimension in the servicescape literature.

Finally, we heed the call for service research related to experiences of extended duration by testing the model within the not-for-profit, higher education context. This institutional setting also adds to the very limited body of work that has examined servicescapes outside of commercial environments.

Summary of Findings
Our results reveal that satisfaction with the servicescape significantly and positively influences perceptions of brand image, and perceptions of brand image positively influence
brand love. Servicescape, then, must be a key focus for service marketers trying to achieve brand love. Although WOM source does not impact brand image or moderate the relationship between servicescape satisfaction and brand image, positive third-party WOM affects perceptions of brand image and negative third-party WOM does moderate the relationship between servicescape and brand image. Finally, the dimension of safety elements is found to be a critical component of the overall servicescape and should routinely be incorporated in servicescape studies.

References are available on request.
When and How Do a Brand Endorser’s Benefits Get Transferred to a Brand?

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Keywords: celebrity endorsement, brand endorsement, 3E benefits, enriching benefit

Description: The role of brand endorsers and explore their efficacy over and beyond fit with a brand and the credibility of the endorsement

EXTENDED ABSTRACT

Research Question
Why do brands continue to rely on celebrities and spend billions on hiring various celebrities in the hope of strengthening the brand? We study what type of key celebrity benefits get transferred to brands for enhanced brand love, brand trust, and brand respect. Critically, our study focuses on how the celebrity endorser benefits can complement the weak corresponding benefits of brands by the benefit transfer whereas most extant studies on the celebrity endorsement have focused on similarity or congruency between a brand and its endorser. Moreover, we explore when such transfer occurs and when it does not. Is the usage of celebrities equally effective for brands that are known by consumers vis-à-vis brands that are completely unknown by consumers? Such questions are of great importance to the marketing practice as answers to these questions inform managers as to which celebrities might be best for a particular brand and when such endorsement is likely to lead to the desired transfer of celebrity benefits to a brand.

Method and Data
Study 1 examine if an endorser’s benefits can be transferred to the brand when the brand’s benefits are unknown to consumers. To do so, we found three celebrity endorsers with only high in one of the three benefits by conducting pretest and created the fictitious new coffee machine brand. In Study 2, we focused on examining how the each of strong benefits of the celebrity endorser transfers to the endorsed brand with weak corresponding benefit. We used the same fictitious brand “Mardi” and the set of celebrities from Study 1. However, we provided information on the benefits of the brand in Study 2. Accordingly, we created three brand conditions and each condition has three types of endorsers. In order to manipulate enticing benefits, we provided the explanation of design and image of coffee machine. To manipulate empowering benefits, we created the features of the brand, and finally, for inspiring benefits, we provided core value and short slogan. In Study 3, a fictitious smartphone brand was used as stimulus. We chose smartphone brand instead of coffee machine brand. We selected new three Chinese celebrity endorsers to manipulate.

Summary of Findings
Study 1 shows that the three types of benefits of the celebrity endorsers transfer to the brand when consumers have no information on the benefits of the endorsed brand. That is, consumers are likely to accept the celebrity endorsers’ benefits as the endorsed brand’s benefit when the brand are totally new to them, which means the customers can be more easily manipulated as companies intend with their celebrity endorsement strategy. It is noteworthy that consumers show the strongest probrand behaviors when the endorser’s inspiring benefit transfer to the endorsed brand. Study 2 showed that only the endorser’s inspiring benefits transfer to the endorsed brand when consumers have information on the benefits of the brand whereas the endorser’s empowering and enticing benefits do not transfer to the endorsed brand. Specifically, when consumers have knowledge that the...
brand is lack of intrinsic benefits (empowering and enticing benefit), the celebrity endorsers are not likely to complement the intrinsic benefits of the brand because a brand need to have the intrinsic benefits by itself. When the brand is lack of extrinsic benefits (inspiring benefit), however, the celebrity endorser with high in inspiring benefits is likely to complement and strengthen the extrinsic benefit.

**Key Contributions**

The current research findings highlight important implications. For instance, when consumers do not know about benefits of endorsed brand at all celebrity endorser’s all three benefits transferred to the brand. However, when consumers know about benefits of the endorsed brand empowering and enticing benefits of celebrity endorses do not transfer and complement weak empowering and enticing benefits of the endorsed brand, respectively. Only inspiring benefits of celebrity endorser transfer and complement weak inspiring benefits of the endorsed brand.

The findings also show the importance of inspiring benefits of celebrity endorser because the inspiring benefits of celebrity endorser transfer and complement inspiring benefits of endorsed brand regardless of the level of consumer knowledge on the endorsed brands. Based on our findings, we believe that the celebrity endorsers’ inspiring benefits are considerably important in brand endorsement strategy. Our research complements and helps extend current knowledge about brand endorsement and helps answer the critical question of when the benefits that celebrities are known for readily transfer to a brand. We extend the current body of work on the role of brand endorsers and explore their efficacy over and beyond fit with a brand and the credibility of the endorsement.

*References are available on request.*
Communication Dynamics in an Online Brand Community: The Role of Authenticity and Emotion

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Keywords: brand communities, influencer marketing, brand ambassadors, customer-company identification

Description: The content and context of posts by brand ambassadors and prospective customers in an online community are examined to understand factors associated with engagement.

EXTENDED ABSTRACT

Research Question
How does the communication content of brand ambassadors and prospective customers in an online branded community inform engagement and institution identification efforts?

Method and Data
A closed online community of admitted college students of a mid-sized, private university in the Southeast informs findings. Across one academic recruitment year 21,296 messages between August 1, 2017 and August 31, 2018 were analyzed and classified into a 2 (public versus private) by 2 (ambassador versus prospective customer) factorial design as illustrated below:

- Public Messages by Brand Ambassadors: 435 Messages
- Public Messages by Prospective Consumers: 742 Messages
- Private Messages by Brand Ambassadors: 1,993 Messages
- Private Messages by Prospective Consumers: 18,126 Messages

Using Linguistic Inquiry Word Count (LIWC) content analysis software, the dimensions of analytical thinking, clout, authenticity, emotional tone, temporal focus and affiliation were assessed. Mean percentages for each linguistic dimension were compared by context and role.

Summary of Findings
Results reveal that both ambassadors and prospective consumers use analytical thinking and authentic language more so in public than private settings. While not surprisingly brand ambassadors use more clout language overall than prospective consumers and their language is also less authentic. Publicly, potential consumers affiliation word use illustrates the need to discover connections with ambassadors and other consumers, but then seek to continue these conversations offline for private development. Privately, brand ambassadors’ language is much more emotional and present-focused whereas potential consumers’ language is more analytical with a future focused language. Findings suggest that enhancing authentic language by brand ambassadors, while balancing emotional tone, may enhance information exchange efforts to support student-university identification.

Key Contributions
This is the first academic study to examine the behavioral and content interactions between the boundary-spanning role of student ambassadors with prospective college students, using LIWC analysis. Unlike previous research that examines public conversations between these community participants, this study also examines relationship development in private settings. While previous research focuses on brand communities of (loyal) consumers, this research focuses on a firm’s efforts to develop and cultivate a brand community among prospective customers.

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In addition, this research introduces the language dimensions of analytical thought, clout, authenticity, emotional tone, temporal focus, and affiliation that may be worthy of future research efforts in other online community contexts. Our findings on authenticity extend Lim’s et al.’s (2015) work by illustrating that language designed to make oneself more popular as a brand ambassador (e.g. puffery, positive emotion) can also lead to perceptions of being less authentic. This study also builds upon the work of Sirianni et al. (2013) that finds that employee-brand alignment increases perceptions of authenticity, which leads to stronger brand attitudes in face to face sales conversations. Our work extends these findings to the context of online brand communities.

References are available on request.
Influential Power of Brand Evangelists

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Keywords: brand evangelists, Social influence, social identity theory, brand connection, word of mouth

Description: The research provides a thorough understanding of who brand evangelists (BEs) are, what drives their behavior, and what impact they have on other consumers.

EXTENDED ABSTRACT

Research Question
Brand evangelists (BEs) differ from market mavens and opinion leaders in that they are more passionate about the brands they love and may go out of their way to support them. This research examines who BEs are, what drives their behavior, and what impact they have on other consumers.

Method and Data
We conduct three large-scale studies on actual consumers to develop a valid measure of BEs, uncover cognitive, emotional, and social drivers of BEs, and examine when and how BEs influence other consumers. We also conduct a field study using a unique social media data set gathered daily from thousands of consumer WOM transmissions on Facebook and Twitter about 104 new product introductions from 2007 to 2016 by 20 brands to replicate the results of previous studies and explore new conditions in which BEs exert their social influence.

Summary of Findings
We develop a valid measure of BEs—customer who activate their passion about a particular brand by passing on favorable messages to potential customers in the hope that they will join in on purchasing the brand. We find that self-brand and social connections are internal drivers of BE behavior, whereas in-kind rewards are external drivers. In contrast to the common belief about the benefits of BEs, our findings indicate that the influential power of BEs on other consumers’ likelihood to purchase the advocated brand is only stronger than that of non-BEs when the brand belongs to a hedonic category and for potential customers. However, the superiority of BEs diminishes when the brand belongs to a utilitarian category and for existing customers.

Key Contributions
Central to tapping into this reservoir is the understanding of sources that create and spread brand-specific WOM that can exert social influence on other consumers. We respond to this issue by shedding light on BEs, an emerging source of social influence. There is limited research examining the impact of online social influencers. Our research contributes to this nascent literature stream while enabling a stronger understanding of the impact of online social influencers on new product and brand virality. We further enrich the marketing literature by revealing cognitive, emotional, and social drivers of BEs and demonstrating BEs’ influential power in shaping consumer choices and preferences. These findings provide important implications for brand managers and brand researchers in terms of who BEs are and how to leverage them.

References are available on request.

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Positive WOM Valence Does Not Always Result in Favorite Outcomes: The Role of Perceived Conflict

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Keywords: eWOM, valence, perceived conflict, relationship marketing

EXTENDED ABSTRACT

This study examines how the valence of word-of-mouth (WOM) about a business partner relate to the perceived trust of the relationship and consumers’ WOM posting intentions, especially investigates the moderating effects of conflict during the processes. The findings indicate that being exposed to positive WOM significantly decrease consumers’ perceived trust with the focal firm when consumers believe they have a conflict with the firm. In this case, positive reviews leading to a reduced level of perceived relational trust, and therefore undermine consumers posting intentions.

Research Questions

The level of trustworthiness improves dramatically for unknown consumers if the information’s source is from a trusted website. Here we can see trust serves as an essential mediator (see figure 1). Thus, we hypothesize that relational trust mediates review valence and review posting intention. If a consumer’s level of trust would be negatively affected by online reviews and furthermore becomes frustrated and cynical and do not want to participate in the process. In this case, there is a moderated mediation effect of perceived conflict on review valence and review posting intention. Thus, we hypothesize that there is valence × conflict effect on trust, such that compared to consumers who have a lower level of perceived conflict, the impact of valence will become more salient for consumers who have a high level of perceived conflict. Positive (Negative) review leads to decreased (increased) level of trust.

Method and Data

To identify the effects of WOM valence on relational constructs, I recruited 200 U.S. adults from Amazon Mechanical Turk to participate in this study in exchange for a reward of a nominal fee. I excluded two outliers, and the final sample size was 198. I used a 2 (rating valence: positive versus negative) · continuous (perceived conflict) design. Respondents first read a piece of online review with either a positive or negative valence about a bank (see appendix), which was assumed to be one of their commonly used banks, then they completed several measures: perceived conflict, commitment to the relationship, trust, perceived benefit, and loyalty to the relationship. Finally, respondents rated whether or not they would like to post an online review about the bank before provided demographic information, including their age and gender. Three moderated mediation models with 1,000 bootstrapping mediation methods were employed (Preacher, Rucker, and Hayes, 2007). Specifically, PROCESS Model 5 (Hayes, 2013), in which the review posting intention, valence, trust, and conflict are served as the dependent variable, independent variable, mediator, and moderator, respectively, were used.

Summary of Findings

Within the moderated mediation model, a significant mediation effect of trust between review valence and posting intention was identified (indirect: b = –.18, CI = [–.41, –.02], see Table 1). To analyze the moderating effect of conflict (moderation: b = –.29, CI = [–.57, –.02]), I mean centered conflict at a high and low value and run the models separately. The results show that when conflict was high, the salience of both indirect effect (b = –.74, CI = [–1.37, –.18]) and Total effect(b = –1.93, CI = [–3.28, –.60]) increased; while when conflict is low, the mediation effect of trust became insignificant. The results revealed that positive reviews negatively affect consumers’ perceived trust in the presence of conflict. In the model of low conflict context, we saw a significant decrease in the magnitude of negative impact (high conflict =–1.30 vs. blow conflict =.09).
Key Contributions

This study proposes that eWOM is not only a consequence of a relationship but also an unacknowledged essential antecedent that may strengthen or undermine relational trust through consumers’ perceived conflict. Previous RM researchers have categorized the antecedents of RM into different dimensions, such as buyers, sellers, dyadic (Palmatier et al., 2006), but the present research shows that eWOM may not be categorized in any of those groups, but an independent one is given the unique multidirectional characteristics that eWOM possesses. Given the presence of conflict, consumers respond positively to negative reviews and become cynical and less likely to create any reviews, which adds incremental knowledge and provides fresh insights for reinvesting the current relationship marketing models. In business reality, this study adds incremental knowledge on the role of WOM in effective relationship building, indicating that executives must recognize the importance of proactive efforts to reduce consumers’ perceived conflict, which is a precondition for any favorable effects of positive WOM. Managers also need to recognize that WOM is closely related to consumers’ perceived trust from a relationship, and budget for consumer relationship and WOM campaigns accordingly in their relationship marketing investment.

References are available on request.
What Is My Rank? The Effects of Brand Games’ Leaderboards on Brand Liking

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EXTENDED ABSTRACT

Research Question
An increasing number of companies use brand games to engage current or prospective customers, hoping to ultimately increase consumers’ brand liking (Berger et al., 2018). Prior work on brand games has documented how different types (Kalra and Shi, 2010) and dimensions of games (Laporte and Laurent, 2015; Ward and Hill, 1991) affect consumer outcomes. An omnipresent, yet understudied in marketing, dimension consists in leaderboards, which rank consumers according to a specific indicator—typically their performance. We conceptualize games with leaderboards as (1) a game hosted by a brand, (2) that includes a mechanism providing consumers with performance feedback, (3) relative to other fellow consumers (4) in form of a ranking (Landers, Bauer, and Callan, 2017). Our own investigation of existing brand games revealed that 41% of brand games include leaderboards. Yet, the current literature does not provide a full understanding of their effects on brand evaluations.

Method and Data
In this research, we conducted four studies. In Study 1, we collaborated with a marathon organization that gave us access to its participants. After the marathon, 805 participants completed the survey ($M_{age} = 48, 26\%$ female). Based on the participants’ starting number, we could identify their ranking (i.e., independent variable). We coded participants’ essays and analyzed their answers to questionnaire questions (i.e., brand liking and pride). We found positive main effects of ranking on both feeling of pride and brand liking. Studies 2 to 4 were online experiments, ran on Amazon Mechanical Turk (with U.S. respondents).

In Study 2, we recruited 317 U.S. participants ($M_{age} = 34, 45\%$ female) to take part in a 2 (type of game: win-lose vs. ranking) between-subjects study. Each participant played a tennis game. We manipulated the outcome of the game: participants either won the game, lost the game or received a rank between 1 and 10. We then measured participants’ liking of the organizing brand. We found positive main effects of ranking and winning on brand liking. The analyses also revealed a moderating effect of participants’ affiliation with their competitors, which was specific to the ranking (vs. win-lose) condition.

In Study 3, 198 U.S. participants ($M_{age} = 33, 37\%$ female) completed a 2 (ranking: high vs. low) between-subjects study. Participants played a racing game. They were randomly assigned to the 2nd or 8th position in the game ranking. Next, they rated their pride, and evaluated the organizing brand. In Study 3, we replicated the main effect of ranking on brand evaluation and further analyzed the mediating role of pride (authentic vs. hubristic).

In Study 4, 380 U.S. participants ($M_{age} = 37, 47\%$ female) took part in a 2 (ranking: low vs. high) $\times$ 2 (locus of control: internal vs. external) between-subjects study. We used the same game and ranking manipulation as in Study 3. To manipulate participants’ locus of control, participants were either able to steer the car by themselves (i.e., internal condition), or an autopilot guided the car to the finish line (i.e., external condition). We used the same measures as in Study 3, and found additional evidence for the main effect and underlying process.

Key Contribution
Our research has both managerial and theoretical implications. First, our research hopes to explain to marketers how competitive brand games impact consumers’ brand liking. With an ever-increasing need for brands to connect with consumers and the advancement of online tools, we believe...
that the understanding of brand games and leaderboards is an important skill for marketers.

Second, our research is entrenched in the social comparison literature (e.g., Festinger, 1954), and seeks to determine how consumers’ comparisons, when caused by a brand, can affect the evaluation of this brand. More specifically, we want to bridge two research gaps. First, the literature on brand (or advert) games has studied the effects of game elements (i.e., prize structure, game challenge and interactivity) on consumer behaviors, but tends to neglect the social component of certain games, such as brand contests. Second, the literature on social comparisons shows both the positive effect of downward comparisons and negative effect of upward comparisons on individuals’ well-being and emotions, but remains silent about (i) the indirect consequences for brands, when brands fostered these comparisons, and about (ii) the underlying role of consumers’ pride (authentic versus hubristic) in the effect of leaderboards on brand liking. Overall, our research adds to the increasing literatures on brand games, pride, social competitions and the visual representation of their outcome.

Summary of Findings

In this research, we find that consumers’ ranking in a leaderboard influences their liking of the game hosting brand. More specifically, the lower consumers’ ranking in brand games, the greater their brand liking. The effect of a consumer’s ranking on brand liking is mediated by authentic pride of his/her game performance. It is not mediated by consumers’ hubristic pride, because hubristic pride has no effect on brand evaluations. The effect of a consumer’s authentic pride on brand liking is negatively moderated by his/her affiliation with fellow participants of the game. More precisely, only when consumers’ affiliation with fellow participants is low (vs. high), does the ranking impacts brand liking.

References are available on request.
Reexamining the Perceived Quality–Market Share Relationship: The Moderating Role of the Quality Perception Gap

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Keywords: perceived quality, brand management, market share, dynamic panel GMM, automotive industry

Description: This study reexamines the famous perceived quality-market share relationship by introducing comparative perceived quality of a brand as a driver and quality perception gap as a moderator to the relationship.

EXTENDED ABSTRACT

Research Question
Quality is a critical factor in explaining brand strategy and performance. Being a multidimensional construct, extant marketing research has examined quality with two of its most prominent dimensions as objective and perceived quality (e.g., Mitra and Golder 2006). However, except for the service quality literature (e.g., Zeithaml 1988), there is scarce prior research examining the discrepancy between the two quality dimensions. Furthermore, although extant prior research examines the perceived quality construct, it does so in absolute measures and considers the comparative perceived quality, which measures the perceived quality of a brand with respect to its competitive product segment, rarely.

Overall, in the brand management literature, perceived quality and market share are both used frequently to understand the market performance of brands. However, findings were mixed and samples, which were mostly based on consumer data, were limited. This study follows closely the footsteps of Hellelofs and Jacobson (1990) and Rego, Morgan, and Fornell (2013) in reexamining the famous perceived quality-market share relationship and poses two important research questions: (i) What is the impact of comparative perceived quality versus absolute perceived quality on market performance of a brand? and (ii) How does the quality perception gap influence the perceived quality-market share relationship?

Method and Data
The dataset is comprised of annual observations of 45 car brands (i.e., makes) and 196 products (i.e., models) in the U.S. automotive industry between 2000 and 2010. We compiled the dataset from multiple secondary sources, which are frequently used in the automotive industry marketing research such as Automotive News, Harris Interactive, and JD Power and Associates. Automotive industry is a highly relevant context for this study as quality is a vital attribute of cars; however, the variation with respect to both types of quality is large among the car brands. Furthermore, cars are complex, experiential, and credence products, which cause the gap between the perceived and objective quality to be unequivocal.

Similar to Rego, Morgan and Fornell (2013), to test our hypotheses, we use dynamic panel generalized method of moments (GMM) estimation (Arellano and Bover 1995; Bond and Bond 1998). This approach helped us deal with potential problems of endogeneity (i.e., exogenous variables that are correlated with errors), fixed-level brand effects, “small T, large N” panel, (i.e., few time periods and many brands), dynamic dependent variables (i.e., market share and perceived quality can be dependent on prior period observations), and heteroskedasticity and serial correlation (Roodman 2009).
Summary of Findings
Overall, we find support for Helioffs and Jacobson’s (1990) negative relationship between market share and perceived quality. But interestingly, we find no support for a positive impact of the current perceived quality on future market share when perceived quality is treated as an absolute measure. However, when a car brand’s perceived quality is comparatively higher than the average perceived quality in its own product category, it may affect the future market share positively. We also provide insights into the role of the gap between perceived and objective quality of a brand in affecting future market share. Our findings not only show that consumers’ over-appreciation (i.e., when perceived quality is greater than objective quality) for a car brand can have a positive impact on its future market performance but also the positive main effect of comparative perceived quality on market share is further enhanced for over-appreciated brands.

Key Contributions
This study contributes to the branding and quality literature in specific ways. First, similar to Rego, Morgan, and Forbell (2013), we reexamine a famous relationship in the branding literature by analyzing the time-varying effects of perceived quality-market share relationship. Second, this study introduces a new construct, comparative perceived quality, as a potential driver of market share. Instead of the absolute perceived quality score, we demonstrate that the comparative score can explain the variance in market share of a brand more significantly. Third, this research introduces also the quality perception gap construct into the perceived quality-market share relationship with the purpose of identifying some boundary conditions and explain the previous mixed findings in the literature. While customer perception of a brand quality is important as previously established in the literature, where it stands relatively to the objective quality of the same brand makes certain brands either over- or under-appreciated in the marketplace. This study shows that the over- versus under-appreciation of a brand by the consumers can make a difference in the brand’s market performance.

References are available on request.
Reciprocal Socialization and Consumer Brand Adoption

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Keywords: reciprocal socialization, brand expansion, symbolic interactionism

Description: This qualitative research investigates the role of adult children in helping global brands expand their target markets to parents through the process of reciprocal socialization.

EXTENDED ABSTRACT

Research Question
First, we explore the antecedents of reciprocal socialization by asking, what determines parents' interest in engaging in reciprocal socialization with their adult children? Second, we take the perspective of symbolic interactionism to identify the new symbolic meanings generated by the process of reciprocal socialization that bring brands closer to parents or changes parents' attitudes about brands. Third, we examine the interplay of the parent–child relationship, the process of reciprocal socialization, and the moderating effect of the parent–child relationship on parents' brand attitudes and brand adoption.

Method and Data
This qualitative research use the Apple iPhone as the brand stimulus and China as the research context. We had identified and interviewed 10 parent–child pairs of participants: 10 parents (four fathers and six mothers) and 10 adult children (seven sons and three daughters).

Summary of Findings
Findings drawn from interviews of both parents and children clearly demonstrates a process of reciprocal socialization in the case of iPhone adoption. In the process, parents accept second-hand iPhones from adult children, try using the phones, and become attracted by their functional features. Parents' confidence in the phones and enjoyment of the products significantly increases as they learn more about the products from their children, especially when parents reap social benefits from using the brand. As a result, parents become consumers, and sometimes advocates, of the brand. All parents report that they learn how to use their iPhones from their children. Our findings suggest that the iPhone has gained three additional symbolic meanings from the reciprocal socialization process of Chinese consumers: family ties, cultural value (filial piety), and status. Our study reveals the moderating role of parent–child relationships on reciprocal socialization, whereby warmer parents are more likely to report being influenced by their children's reciprocal socialization.

Key Contributions
Reciprocal socialization acts as a particular form of consumer-to-consumer communication that facilitates parents' adoption of global brands. The findings also show that global brands acquire symbolic meanings that make them more appealing to local consumers by enhancing self–brand connections. This research fills a gap in literature by shifting the broader focus on intergenerational influence to a more specific focus on reciprocal socialization influence. We expand the study of reciprocal socialization into a new area, by investigating the unique reciprocal socialization behavior by which children pass on a product to their parents. In addition, our research provides insights into cross-cultural marketing theory with regard to approaches to standardization and adaptation. The research provides some meaningful managerial implications for marketers of global brands.

References are available on request.
The Influence of Customer Variety and Brand Loyalty on the Purchasing of Umbrella-Branded Products

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Keywords: umbrella brands, brand loyalty, purchase behavior, within brand variety, among brand variety

Description: This paper examines the impact of customer variety (i.e., among brand and within brand) and customer loyalty on purchase behavior via 90,000 transactions of approximately 4,500 loyalty card holders from scanner transaction data obtained from a regional grocery retailer.

EXTENDED ABSTRACT

Research Question
Specifically, the fundamental research question addressed in this study is: What is the influence of customer variety and behavioral loyalty on the purchasing of umbrella brands? As such, the purpose of this study is to investigate (1) the relationship between customer variety and purchase behavior, (2) the relationship between customer loyalty behaviors and purchase behavior, and (3) the moderating impact of customer variety on the relationship between brand loyalty and purchase behavior.

Method and Data
The researchers obtained scanner transaction data of customers with loyalty cards from one large store in a regional retail grocery chain in the U.S. The customers who were members of this loyalty card program were identified to the researchers through randomly generated numbers assigned to each member. Within that context, the researchers chose the wine category and investigated umbrella brands and purchasing behavior. This provided 120,000 purchase observations from approximately 10,600 loyalty card numbers. Additionally, the data contained approximately 660 brands; however, because the researchers defined an umbrella brand as having two or more unique UPCs, this left 297 umbrella brands. Furthermore, the researchers removed customers who made fewer than three purchases in the category from the data, leaving approximately 4,500 customers (identified by their loyalty card number) and approximately 90,000 transactions to compute the measures and conduct the analyses.

Summary of Findings
The researchers conducted a standardized multiple regression analysis with number of purchases as the dependent variable. The overall fit of the model with purchase price as the dependent variable is strong and positive with an adjusted R-squared of 0.446, indicating the model explains approximately 45% of the variance in the number of purchases. Additionally, the delta method (Jones and Waller 2013) was employed to compute 95% confidence intervals for the standardized regression coefficients of the independent variables as they relate to the dependent variable. The results show that within brand variety seeking ($\beta = 0.04, p < 0.01$) and brand loyalty ($\beta = 0.77, p < 0.001$) positively impact the number of purchases made by the customer; whereas, the relationship between among brand variety seeking and the number of purchases made by the customer is nonsignificant ($p = 0.435$). Additionally, the confidence intervals for the interaction terms do not overlap thus providing strong evidence that within brand variety seeking ($\beta = -0.20, p < 0.001$) has a much stronger impact on the
relationship between brand loyalty and the number of purchases made by the customer compared to among brand variety seeking ($\beta = 0.05, p < 0.001$).

**Key Contributions**
This research provides evidence of the link between customer variety and behavioral loyalty on the purchasing of umbrella brands. Specifically, two types of variety behavior are formulated and empirically examined, that is, within brand variety and among brand variety. This research extends previous conceptualizations of variety behavior beyond brand switching (Givon 1984) providing evidence that consumers satisfy variety seeking urges by consuming a variety of products within a brand. Furthermore, by examining the moderating effect of variety behaviors on the brand loyalty/purchase quantity relationship, this paper advances our understanding of how variety and brand loyalty simultaneously interact to influence purchase quantity, a clear contribution to theory (Baldinger, Blair, and Echambadi 2002; Dick and Basu 1994; Kahn, Kalwani, and Morrison 1986; Kahn and Wansink 2004; Moore and Sekhon 2005; Morrison 1966; Rolls et al. 1981; Sharp and Sharp 1997). From a practical perspective, the results highlight the advantage of umbrella brands as a strategy to resist to the proliferation of competing products and as a differentiation strategy of the different brands present on the market. Naturally, the advantage of implementing an umbrella brand strategy, highlighted by this study, discourages customers from satisfying variety seeking urges outside an umbrella brand.

References are available on request.
The Influence of Team Brand Image, Fan Engagement, Satisfaction and Fanship in Australian Soccer Fan Loyalty

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Keywords: team brand image, fan engagement, cumulative fan satisfaction, fan loyalty, soccer

Description: This study proposed and empirically validated a conceptual model of fan engagement, team brand image, and cumulative fan satisfaction with the team as factors influencing A-League soccer fans' attitudinal loyalty and behavioral loyalty, along with identifying potential moderating effect of fanship.

EXTENDED ABSTRACT

Research Question
The A-League, Australia’s professional soccer league, remains the lowest attended of four football codes. However, limited research exists in understanding how fan engagement (FE) and team brand image (TBI) contribute to cumulative fan satisfaction (CFS), attitudinal loyalty (AL) and behavioral loyalty (BL) for A-League soccer teams. To address this theoretical deficiency, we develop a conceptual model of FE driving TBI and CFS, which drive A-League AL and BL in turn, with fanship as a moderator.

Method and Data
A convenience sample of Australian A-League soccer fans completed a paper-and-pencil, self-administered survey to evaluate their team. Measures were drawn from the literature. TBI was conceptualized as a second-order hierarchical construct (HOC), Type II reflective-formative. FE was conceptualized as a second-order HOC, Type 1 reflective-reflective. Analysis used Partial Least Squares structural equation modelling (PLS-SEM), SmartPLS v3. To explore fanship’s moderation effects, multiple group analysis (PLS-MGA) was used. The adequacy of the measurement model was assessed by examining the item loadings, Cronbach’s α, composite reliability, AVE, collinearity, discriminant validity, and $R^2$, with the recommended benchmarks achieved.

Summary of Findings
The results validated the conceptual model of FE driving TBI and CFS, which drive A-League AL and BL in turn, along with identifying fanship’s potential moderating effect. H1 (FE $\rightarrow$ TBI), H2 (FE $\rightarrow$ CFS), H3 (TBI $\rightarrow$ CFS), H4 (TBI $\rightarrow$ AL), H5 (TBI $\rightarrow$ BL), H6 (CFS $\rightarrow$ AL) and H7 (CFS $\rightarrow$ BL) were all supported ($p < .05$). The PLS-MGA analysis identified a significant difference ($p < .05$) between the low/high fanship groups for one path: CFS $\rightarrow$ AL. A marginal difference ($p < .10$) was found for two paths: FE $\rightarrow$ TBI and TBI $\rightarrow$ AL.

Key Contributions
Regarding theory, these results increase our understanding of the reasons why A-League fans are committed to and exhibit fan-related behaviors for a team and provide a basis for future research. This study proposed and empirically validated a conceptual model of FE, TBI, and CFS as antecedents to A-League attitudinal and behavioral fan loyalty, along with identifying fanship’s potential moderating effect. Importantly, our model provides a framework to guide future fan-loyalty studies. On a practical level, the findings will assist sports-marketing practitioners to formulate more effective, fan-centric marketing-communication strategies leading to a larger, loyal A-League fan base.

References are available on request.
Planning and Execution: Marketing Strategy

Marketing Capabilities and Their Impact on Firm Performance
Lone Wolf or Social Monkey? The Role of Marketing Outsourcing in the Development of Second-Order Marketing Competences
Dorian-Laurențiu Florea

Marketing-Based Exploitative-Explorative Capabilities Congruence on Firm Value
Zuohao Hu, Qianmin Sun

The Effects of Institutional Uncertainty on Firms’ Market and Nonmarket Capabilities
Xiaoyan Wang, Fang Jia, Zhilin Yang

Marketing and Firm Performance
After the Sun Comes Rain: The Impact of Initial Public Offerings on Market Strategy
Bardo Droge, Steffen Strese, Andrea Greven

Customer-Relationships Asset as a Competitive Advantage
Joyce (Feng) Wang, Clay Voorhees, Roger Calantone

Interfirm Relationships and Firm Outcomes
Exchange Conditions of Joint Liability Governance: Embedded Multicase Study Based on Tea Supply Chain in China
Qinfang Hu, Xiang Li, Huanfang Wang, Chaping Hu

Franchisee Performance: A Signaling Perspective
Swati Panda, Audhesh K. Paswan, Sailendra P. Mishra

A Contingent View of Unequal Participation in Interfirm Value CoCreation: The Roles of Privacy Concern and Contract Binding Force
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Switching the Focus from the Forest to the Trees: Interaction Orientation on Exporter’s Performance
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Research Spotlights and New Findings in Marketing Strategy
A Signaling Approach to Product Cannibalization
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A CEO for All Markets: The Impact of Executives’ Career Diversity on Share Buybacks
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The Construct of “Conceptual Article Quality” and Its Dimensions: An Empirical Study
Kallol Das, Yogesh Mungra, Naresh Malhotra

The Role of Marketing Disclosures and Legitimacy in Raising New Venture Capital
Reza Rajabi, Thomas G. Brashear Alejandro, Kwong Chan

2019 Summer AMA Proceedings
Research Question
Outsourcing has been widely recognized as an important trend in business marketing in recent decades (Ahearne and Kothandaraman, 2009). Firms generally decide to outsource one or several of these marketing activities to either cut costs or access internally unavailable capabilities. While the positive overall trade-off is apparent from the trend of increasing levels of outsourcing, the exploration and generation of new marketing capabilities can be severely hurt as a result. Outsourcing decisions imply discarding the potential incremental improvements in the current marketing competences, which raises the question of whether marketing outsourcing can serve as a source for developing new marketing competences. The existing literature suggests that the client firm usually becomes highly dependent on the marketing service provider’s capabilities and performance (Lacity and Willcocks, 2017). Based on this idea, most client companies do not take advantage of their interactions with more knowledgeable providers to enhance their own marketing capabilities, which leads us to propose the following research question:

“To what extent and under which circumstances can a company regard marketing outsourcing as an organizational learning experience?”

Method and Data
The empirical study considered the outsourcing of two marketing functions that have different levels of knowledge intensity: marketing research and analytics (high knowledge intensity), and in-store promotion and merchandising (low knowledge intensity). We gathered 253 usable questionnaires from firms that outsourced one of these marketing functions between 2013 and 2016. We used the multiple informant approach to avoid common method bias, and a time lag between the two parts of the questionnaire was employed to lessen the risk of reversed causality.

Marketing outsourcing was assessed through the actual level of outsourcing rather than through perceptual measures. The actual level of outsourcing was measured using a single item that expressed the outsourcing ratio of the marketing function in question between 2013 and 2016. First- and second-order marketing competences were captured using adapted versions of the measures proposed by Danneels (2015). The adaptation was needed to reflect the specific competences of marketing research and analytics/ in-store promotion and merchandising. Consistent with the conceptualization of Zahra and George (2002), we measured absorptive capacity using the four items proposed by Solís-Molina et al (2018), one for each component: acquisition, assimilation, transformation, and exploitation.

Summary of Findings
We found that marketing outsourcing has a negatively curvilinear effect on second-order marketing competences. Thus,
there is an optimal level of outsourcing degree that maximizes the acquisition of new marketing competences, that was found to be around 78 percent. First-order marketing competences and absorptive capacity positively moderate this relationship, by shifting the inverted U-curve to the right. Despite being statistically significant, each moderator has only a weak effect size, between 13 and 15 percent. The post-hoc analysis showed that the interplay between first-order marketing competences and absorptive capacity has a much stronger moderating effect, with an effect size of 24.5 percent. The knowledge intensity of the outsourced marketing function does not moderate the relationship between marketing outsourcing and second-order marketing competences.

**Key Contributions**

This study contributes to the literature by showing that marketing outsourcing is not a deterrent of organizational learning, but rather is a business parameter that has to be carefully set to an optimal level, according to the existing marketing capabilities and the absorptive capacity of the firm. Firms that enjoy high levels of marketing capabilities and absorptive capacity can increase their degree of marketing outsourcing without hurting their ability to assimilate new competences from their interactions with expert providers. Conversely, firms that have a high degree of marketing outsourcing meant to replace internal competences cannot efficiently engage in external learning due to their poor level of marketing competences nor can they engage in internal learning due to having little marketing in house. These firms must take the appropriate steps to prepare for an increase in marketing insourcing. Our study also confutes the anecdotal belief that in marketing functions with low knowledge intensity, the development of new marketing capabilities is easier to achieve by means of outsourcing. According to our findings, in all marketing functions, irrespective of their knowledge intensity, the acquisition of new marketing competences proves to be an outstanding challenge in outsourcing conditions.

*References are available on request.*
Marketing-Based Exploitative-Explorative Capabilities Congruence on Firm Value

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Keywords: exploitative capability, explorative capability, firm value, congruence effect, response surface analysis.

EXTENDED ABSTRACT

Research Questions
Firstly, how are marketing-based exploitative and explorative capabilities related to firms’ financial value? Secondly, does the congruence effect of exploitative and explorative capabilities exist? And how does it influence performance? Thirdly, how does the discrepancy of exploitative and explorative capabilities impact firms’ value?

Method and Data
Our dataset consists of 626 public firms in 2017 in China’s A-share market from CSMAR.

We operationalized both capabilities with an input-output method by stochastic frontier estimation (SFE). And we investigated the hypothesis by using polynomial regressions and response surface modeling.

Key Contributions
We investigate how ambidexterity and its alignment and discrepancy influence on firm value from the financial perspective within a competitive scope. Emphasizing the competitive advantage, we extend the ambidexterity and marketing theories by giving more generalizable conclusions on profit impact of marketing strategy. We also provide valuable implications for the managers on how to balance investments, build up capabilities and enhance firm performance.

Summary of Findings
Empirically extracting and investigating marketing-based exploitative and explorative capabilities in China’s public firms in 2017 by using stochastic frontier analysis and response surface analysis, this study reveals that apart from both marketing-based exploitative and explorative capabilities improve firm value, a congruence effect exists to influence firm’s looking-forward performance as well. Specifically, the alignment between marketing-based exploitative and explorative capability is positively related to firm value and high-high alignment has a better firm value compared to low-low alignment.

References are available on request.
The Effects of Institutional Uncertainty on Firms’ Market and Nonmarket Capabilities

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Keywords: adaptive capability, institutional uncertainty, legitimacy, performance, political capability

Description: Two types of institutional uncertainty (i.e., volatility and ambiguity) exert a distinct impact on firms’ adaptive and political capabilities, respectively, and in turn influence firm legitimacy and performance.

EXTENDED ABSTRACT

Research Question
Inasmuch as institutional changes make existing firm resources and capabilities obsolete or inefficient (Newman, 2000; Roth and Kostova, 2003), firms may face a resource or capability vacuum. Yet, we know little about how institutional uncertainty influences firms’ resource management (Sirmon, Hitt, and Ireland, 2007), such as resource-selection and capability building. To address the research gap, we focus on two aspects of the firm capabilities: adaptive capability—a market-based capability, and political capability—a nonmarket capability. Specifically, we investigate how two different types of institutional uncertainty (i.e., volatility and ambiguity) influence firms’ market and nonmarket capabilities, which in turn impact firm legitimacy and performance.

Method and Data
Cross sectional data are collected from firms that operate in China using questionnaire survey. Structural equation modeling and seemingly unrelated regression are conducted to analyze data from 201 firms.

Summary of Findings
Institutional volatility does not significantly impact firm capabilities, whereas ambiguity produces negative effects on both political and adaptive capability. Institutional ambiguity is more distressing than institutional volatility when reconfiguring firm capability and resources. In addition, institutional ambiguity and volatility do not have direct effects on financial performance, but they do have direct negative influences on firm legitimacy.

Key Contributions
The study makes two primary theoretical contributions. First, we add to general environmental uncertainty research by focusing on institutional environment uncertainty. The distinction between institutional volatility and ambiguity contributes to a better understanding of institutional uncertainty by revealing their different impacts on firm capabilities. Second, the study enriches understanding of firms’ market and nonmarket capabilities by examining both adaptive and political capabilities in navigating uncertain institutional conditions. Our findings shed light on the value of different firm capabilities and inform firms of potential threats of institutional ambiguity as well as possible ways to deal with institutional uncertainty in emerging and transitional contexts.

References are available on request.

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Research Question
To respond to increasingly volatile and complex markets, superior customer value has become a building block for firms’ competitive advantage as it ensures growth and competitiveness (Kumar, Jones, Venkatesan, and Leone, 2011). Generating a superior customer value is embodied throughout an organization’s thinking patterns and processes and is comprised by a firm’s market orientation (MO). MO is an organization-wide utilization of customer responsiveness and market information (Narver and Slater, 1990). As efforts regarding MO involve customer focus and accumulation of market information, it occupies a high degree of firm resources and capabilities (Gebhardt, Carpenter, and Sherry, 2006), which need to be maintained through either the operating business or external growth capital. Corporate financing events such as initial public offerings (IPO) are crucial to maintain business operations. At the same time, they subsequently affect operations by altering the organizational configuration and external environment (Fischer and Pollock, 2004; Wu, 2012). Extending previous research (e.g., Saboo and Grewal, 2013; Kurt and Hulland, 2013), we aim to answer the following research questions: (1) How is a firm’s MO manifestation affected by the firm’s IPO? (2) How does a firm’s MO manifestation, following an IPO event, change over time?

Method and Data
The sample in this study is comprised using the SDC Platinum new issue database (for the IPO sample) and the Compustat database of firms that have been publicly traded for at least five years (for the comparison sample). We retrieved Management Discussion and Analysis (MDA) sections of 10-K reports from the U.S. Securities and Exchange Commission EDGAR database. The sample reflects a multi-industry longitudinal setting ranging from 2004 to 2018. We gathered firm-level accounting data using the Compustat database.

To measure the firm’s manifestation of MO, we defined MO following Narver and Slater (1990) and applied computer-aided text analysis of the 10-K MDA section (Neuendorf and Kumar, 2015). We used the revised dictionaries by McKenny et al. (2018) and the DICTION software (Short and Palmer, 2008). To analyze the effect of an IPO occurrence and the temporal manifestation post-IPO, we created dummy variables (e.g., Grühn, Strese, Flatten, Jaeger, and Brettel, 2017). Additionally, we control on for IPO, firm, and environmental level variables to account for potentially unobserved heterogeneity and omitted variable bias. To test our hypotheses, we apply generalized estimating equation regressions with an identity link function, autoregressive correlation structure, and a Gaussian distribution (Ballinger, 2004).

Summary of Findings
We find a positive significant relationship between the IPO event and the level of MO of an issuing firm. This finding can be explained by two underlying mechanisms: (1) The IPO provides new growth capital and financial flexibility, which spurs the resource-intensive MO building process.
(2) Drawing upon information economics literature, the emphasis of the management on MO increases as it is a source of sustainable competitive advantage. In the second part of our analysis, we identify the IPO as a trigger for changes in MO over time. Thus, we can infer that MO follows a temporal change pattern and that this change pattern is a function of internal and/or external trigger events.

**Key Contributions**

This study contributes to the marketing domain in four significant ways. First, drawing on dynamic state theory (Levie and Lichtenstein, 2010), we develop a theoretical model on temporal change patterns of MO. Based on this model, we demonstrate that a firm’s MO does not manifest itself uniformly through a firm’s development but rather depicts heterogeneously distributed temporal change patterns (Kumar et al., 2011; Wales, Monsen, and McKelvie, 2011). We advance the ongoing debate theoretically and empirically by revealing that MO evolves over time, which will prove extremely helpful in solving equivocal findings in the MO–performance link (Kirca, Jayachandran, and Bearden, 2005). Second, the present longitudinal investigation develops theory and provides empirical evidence for how external financing events (e.g., IPOs) impact strategic orientations and, more precisely, the marketing function (Saboo and Grewal, 2013; Wales, Monsen, and McKelvie, 2011). Additionally, this study puts market strategy in the spotlight of finance scholars as it provides indications of how to solve ongoing (non-)financial anomalies (e.g., stock underperformance post-IPO) (Bernstein, 2015; Ritter and Welch, 2002; Wu, 2012). Lastly, we theoretically pave the way for various research domains to analyze the antecedents and outcomes of the temporal properties of a firm’s MO.

*References are available on request.*
Customer-Relationships Asset as a Competitive Advantage

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Roger Calantone, Michigan State University

Keywords: customer valuation, customer relationships, customer as assets, competitive advantage

Description: This research theorizes and quantifies customer-relationships asset as a firm’s ability to utilize the value creation through customer-customer and customer-firm interactions to achieve organic growth in market performance, followed by an empirical examination that it is a competitive advantage in consumer acquisition and retention.

EXTENDED ABSTRACT

Research Question
1. We investigate how to valuate the quality of a firm’s customer base that represents value creation through customers’ relationship-driven and extra-role behaviors (Study I).
2. We investigate how a firm’s customer-relationships asset, defined by a firm’s ability to utilize the value creation through customer-customer and customer-firm interactions to achieve organic growth in market performance, functions as competitive advantage in a consumer’s purchase decisions (Study II).

Method and Data
This research uses brand-level data for Study I and multilevel data for Study II in the automotive industry. The purpose of using the U.S. automobile industry is to provide a relatively clean setting, where repeat purchase contributes little to a firm’s future market performance in a less than six years’ time window.

1. Study I includes two major data sources. One provides longitudinal survey-based data on customers’ car usage, aggregated at brand-level. The number of respondents ranges from 110,112 to 162,319 across 68 months (from August 2006 to March 2012). The second source adds objective sales performance from WardsAuto. Persistent Modeling Approach is employed to quantify customer-relationships asset for each of the 33 brands.

2. Study II empirically examines the competitive advantage of customer-relationships asset on individual purchases. The key independent variable, customer-relationships asset, is drawn from the estimates from Study I for each brand. The dependent variable, purchase decision, is collected by an international marketing research firm. Other information such as consumers’ consideration set size, information search (i.e., objective vs. interactive), and demographics are also obtained. The mixed-effects probit models are used to account for customer heterogeneity in acquisition and retention propensities.

Summary of Findings
1. Study I assesses the proposed concept, customer-relationships asset, across 33 automobile brands. The results show that 7 (vs. 6) out of 33 brands possess significant positive (vs. negative) customer-relationships assets, whereas the rest do not. That means that 13 out of 33 brands have customers who are driving the focal brand that either contribute to or jeopardize a brand’s share over time, independent of their direct purchases.

2. Study II empirically demonstrates the competitive advantage of customer-relationships asset. Using the estimates from study I as the measures of customer-relationships assets for 33 automobile brands, the results show that (i) customer-relationships asset positively influences individual-level customer acquisition and retention decisions, (ii) favors competition in consumers’ consideration set for the focal brand, and (iii) strengthens the positive impacts of various types of information search. Particularly, the
effects of customer-relationships asset are stronger in consumers’ acquisition, compared to retention decisions.

**Key Contributions**

1. This study theorizes and quantifies the quality of a firm’s customer base in terms of customer-relationships and value creation through customer-customer and customer-firm interactions. The proposed concept, customer-relationships asset, accounts for the extra-role behaviors and interdependency of a firm’s customer base.

2. The proposed concept provides a new perspective on valuating a firm’s relationships and contribution to organic market performance. It is conceptually and empirically distinctive from customer equity, which mainly focuses on the direct economic contribution of a customer. The proposed concept recognizes the indirect, cumulative, and reinforcing economic contribution of a firm’s customer base.

2. This study empirically demonstrates that a firm’s customer-centric competitive advantage—customer-relationships asset not only positively affects an individual’s purchase decision, but also strengthens a brand’s competitive stance more when the consideration set size is larger. These findings introduce a significant brand-level antecedent in detailing a consumer’s purchase decision journey.

References are available on request.
Research Question
Our objective in this article is to provide a conceptual framework that explains under what conditions joint liability governance has comparative advantage and is therefore likely to emerge and thrive.

Method and Data
Method: Embedded multicase study method
Data: We select three local tea manufacturer and their upstream tea supplier clusters in Anxi county of Fujian province as research samples.

Key Contributions
In this article we provide several contributions to the general understanding of joint liability governance. The majority of prior research on exchange conditions of joint liability governance stands on the position of the governor (i.e. lender). Although some literature analyzes this issue from the perspective of the governed (i.e. borrower), it is limited to the single governed object and does not involve the dyadic relationship between the governor and the governed, let alone considering factors of the object’ social relationship network. In conclusion, there is a lack of systematic theoretic framework of conditions of joint liability governance. In this article exchange conditions of joint liability governance are discussed at different levels of individual organization, dyadic relationship, and network relationship. A conceptual framework is constructed for explaining under what exchange conditions joint liability governance can emerge and thrive, making up for the research gap.

Meanwhile, existing research has analyzed the impact of some factors on the implementation of joint liability governance in a rather general way, without revealing their specific influence paths. For example, Giné and Karlan (2009) conducts a preliminary discussion of the effect of economic benefits, and Ahlin and Townsend (2007) discuss the effect of economic income level simply. In fact, for each condition factor is proposed from different perspective, there may be different influencing paths on joint liability governance, including mediating effect or moderating effect. Therefore, we explore further the influence paths of different exchange conditions on joint liability governance, and reveal direct impacts of task nonprogrammability, performance ambiguity, and expected benefits, as well as moderating effects of interdependence intensity, interdependence asymmetry, social capital, and geographical concentration, which deepens the research on joint liability governance.

Third, previous literature on joint liability governance focuses on the microfinance research field, and explores mainly the reasons why lending institutions implement joint liability governance on borrowers. Although joint liability governance has received increasing attention in the research field of supply chain partnership governance, existing research focuses on the consequence of implementing joint liability governance, namely the effects on opportunism (Zhang and Hu, 2014; Hu,
2016), and has not discussed the antecedents of implementing this form of governance. Since supply chain actors are independent economic organizations, and possess unique characteristics different from borrowers (Hu, 2016), its exchange conditions in supply chain partnerships would be significantly different from the microfinance scenario. So, we take tea supply chain in China as an example, and analyze exchange conditions of joint liability governance in the context of “manufacturer + supplier cluster” partnership, enriching research on the form of governance in supply chain partnership.

**Summary of Findings**

Research results show that joint liability governance is a response to exchange conditions of task nonprogrammability, performance ambiguity, expected benefits, interdependence intensity, interdependence asymmetry, social capital, and geographical concentration. When all these conditions fulfilled, joint liability governance has advantages over other forms of governance in multisupplier context.

*References are available on request.*
Franchisee Performance: A Signaling Perspective

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Keywords: firm performance, franchise, franchise disclosure document, signaling

EXTENDED ABSTRACT

Research Question
How does franchisor quality signals affect franchisee’s performance?

We check the relationship between franchise quality signals such as franchisor’s ownership percentage, network size, franchisor experience, total investment requirement, royalty rate and upfront franchise fee with that of franchisee’s annual revenues.

Method and Data
We collected average revenue of franchisees for the fiscal year 2015 from franchise disclosure documents (FDD). For other franchise quality related information, we collected data from the entrepreneur.com website. We have a data set of 221 franchises. We undertake a regression analysis to test the effect of ownership percentage, network size, franchisor experience, total investment, royalty rate and upfront franchise fee on franchisee revenue. Our regression model is as follows:

\[ \text{Franchisee Revenue} = \alpha_0 + \beta_1 \text{Ownership percentage} + \beta_2 \text{Network size} + \beta_3 \text{Franchisor Experience} + \beta_4 \text{Total investment} + \beta_5 \text{Royalty rate} + \beta_6 \text{Upfront Franchisee Fee} + \text{error} \]

Summary of Findings
Findings indicate that franchisor characteristics such as ownership percentage and network size are perceived to be positively associated with franchisee performance. Further, when franchisors expect a high investment from franchisee, it is seen as a positive sign as far as franchisee performance is concerned, whereas lower royalty percentage is perceived in a negative light. We find no relationship between franchisor experience and initial franchise fees with franchisee performance.

Key Contributions
The study is important as it makes three important contributions to franchise literature.

First, it addresses the gap that majority research in franchising is based from the franchisor’s perspective (Dant et al., 2011). It uses franchise level performance data to address this concern.

Second, it offers evidence of multiple factors that prospective franchisees should consider before committing to a specific franchise chain.

Third, this is the first paper that includes performance of both public and private franchisee units across a cross section of business sectors and uses a direct, widely accepted measure of firm performance—franchisee revenues. As a result, this paper addresses an important gap in the franchising literature by focusing directly on franchisee performance.

References are available on request.

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A Contingent View of Unequal Participation in Interfirm Value CoCreation: The Roles of Privacy Concern And Contract Binding Force

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Keywords: value cocreation, coopetition, unequal participation, privacy concern, information boundary

Description: This study develops a contingent view to examine how unequal participation may lead to inefficacy (i.e., unequal information participation and unequal codeveloper participation) of marketing channel members, contingent upon privacy concerns (i.e., privacy concerns about the collection, unauthorized use and improper access to information) and micro formal institutions (i.e., contract binding force).

EXTENDED ABSTRACT

Research Question
1. How does unequal participation affect value cocreation in interfirm cooperative relationships?
2. How do unequal participation and privacy concern interact to affect value cocreation?
3. How does contract binding force affect the moderating effect of privacy concern on the relationship between unequal participation and value cocreation?

Method and Data
We studied the channel dyadic relationships of Chinese manufacturing firms to test our hypotheses. Utilizing a catalog provided by the National Bureau of Statistics in China, we randomly selected 600 manufacturing firms operating within the Chinese four-digit industrial classification codes 1311–4290. The survey was designed in English, then translated into Chinese by an independent translators, and translated back to English to guarantee conceptual equality. We finalized the questionnaire at basis of the results of in-depth interviews and pilot study. To collect the data, we worked with a national marketing research company and trained interviewers to manage surveys during on-site personal meetings. In each company, a senior manager is the main informant; our interviews showed that they had the best understanding of the company’s relationship with its partners. The informant then chose one of their company’s main partners and answered a questionnaire about their interaction with the partner.

Summary of Findings
Is unequal participation good or bad for joint value cocreation performance? This study develops a contingent view to examine how the inefficacy of unequal participation (i.e., unequal information participation and unequal codeveloper participation) is conditional on privacy concern characteristics (i.e., privacy concern about collection of information, unauthorized use and improper access) and micro formal institution (i.e., contract binding force). Empirical results from 400 matched channel cooperative dyads in China reveal that both, unequal information participation and unequal codeveloper participation, mitigate channel members’ joint value cocreation performance. In addition, privacy concern partially raises the negative effects of unequal participation on value cocreation performance. Furthermore, we find that the moderating effect of privacy concern on the relationship between unequal participation and value cocreation performance is less likely to be negative when contract binding force is higher. These findings support the authors’ contingent view of unequal participation and provide novel insights for managing interfirm value cocreation.

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Key Contributions
This research makes several significant contributions to the marketing literature. First, we extend previous social exchange and coopetition perspectives of value cocreation by considering an imbalance view of participation and examining the effect of unequal participation. Second, we enrich scholarly understanding of how unequal participation influences value cocreation by applying an information boundary view. Leaking private information can be detrimental to a firm, since it might result in the loss of competitive advantage (Luo, 2002). Thus, our study replenishes collaboration perspective with the interfirm privacy concern view. Third, we consider the confluence of corporate governance and information boundary views by assessing how contract binding force affects the moderating influence of privacy concern on the relationship between unequal participation and value cocreation. Institutions are the main determinant of transaction cost size and structure (North, 1990); for this reason, our research complements the cooperation and information boundary perspective with the legitimacy-based corporate governance view. This research shows that governance force plays a vital role in enabling firms to foster value cocreation and enhance cooperative performance.

References are available on request.
Switching the Focus from the Forest to the Trees: Interaction Orientation on Exporter’s Performance

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Boryana Dimitrova, Drexel University
Trina Andras, Drexel University

Keywords: interaction orientation, export performance, human capital, relational capital, Romania

Description: We show that exporting firms that closely interact with their primary foreign buyer, actively identify with the customer concept, and emphasize customer empowerment tend to be more satisfied with their export performance than firms that do not employ an interaction orientation.

EXTENDED ABSTRACT

Research Question
Interaction orientation is generally viewed from a B2C lens; nevertheless, we propose that utilizing an interaction orientation in a B2B context provides an opportunity for both the exporter and channel member as a way to enhance their satisfaction with the relationship.

Method and Data
Survey; Online panel data from 92 Romanian exporters

Summary of Findings
Previous research finds that business-to-consumer (B2C) firms that embrace an interaction orientation emphasize the importance of understanding each individual customer as opposed to focusing on customer segments. We investigate this concept from an international business-to-business (B2B) lens and show that exporting firms that closely interact with their primary foreign buyer, actively identify with the customer concept (where the customer is at the center of all customer activity), and emphasize customer empowerment (when the customer cocreates) tend to be more satisfied with their export performance than firms that do not employ an interaction orientation. Additionally, we find that the exporting firm’s relational and human capital moderate the main effects examined in the study. We also discuss the theoretical and managerial implications of our research.

Key Contributions
Academic: First, we decompose the multifaceted construct of interaction orientation by examining each individual component (i.e., customer concept, interaction response capacity, etc.). Second, our study thus contributes to the growing literature on RBV and market orientation by exploring how firms can utilize interaction orientation to their fullest advantage. Third, we explore two moderators from an operations management perspective that influence the relationship between the individual components of interaction orientation and satisfaction with export performance. Finally, our study examines interaction orientation in Romania, an emerging market in Eastern Europe.

Practitioner: How exporters from developing countries can best leverage their firm resources to increase satisfaction levels among channel members.

References are available on request.

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A Signaling Approach to Product Cannibalization

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Keywords: product cannibalization, preannouncement timing, price similarity, relative communication effort

Description: This paper examines how the cannibalization effects of preannouncement timing, price similarity, and relative communication effort vary with various contexts.

EXTENDED ABSTRACT

Research Question
One of the hidden, but real, threats for the vast majority of new product introductions into a market is cannibalization. The purpose of this research study is to bridge a gap in our understanding of why, and when, strategic options for new product introduction lead to potential product cannibalization. Specifically, we examine how the cannibalization effects of preannouncement timing, price similarity, and relative communication effort vary with different contexts associated with product category strength, competitive hostility, and technological turbulence.

Method and Data
Data were collected by using key informant methods in conjunction with survey data-collection procedures. The key informants in this study included managers responsible for, or highly involved in, introducing new products. The sampling frame includes a wide range of industries such as automobiles, chemicals, computers, electronics, pharmaceutical, mechanical equipment, etc. One hundred and eighteen questionnaires were completed and returned. The hypotheses were tested using the moderated regression analysis.

Summary of Findings
The cannibalization effect of price similarity is greater for a launching firm possessing great product category strength. The cannibalization effects of preannouncement timing and price similarity tend to be greater in highly competitive market contexts, as opposed to low competitive contexts. The relative communication effort in support of new product introduction results in smaller cannibalization under a highly competitive condition. Product cannibalization derived by early preannouncement timing becomes greater in highly technologically turbulent markets.

Key Contributions
This study contributes to the marketing and product management literature in two main respects. First, it represents an initial effort to empirically test the link between product cannibalization and product launch strategies under different firm and market conditions. The fit between marketing strategy and its context has significant implications for new product performance, which should be captured in terms of the potential cannibalization between a new product and other products within the same firm, in addition to sales and profitability. Second, we advance understanding of the cannibalization effects incurred by launch strategies by adopting a signaling approach. The findings of this research are in line with the signaling rationale in that signal strengths vary with both receiver attention to the signaler and the signaling environment. Launch strategies, either as signals of intent or quality, may not necessarily generate product cannibalization.

References are available on request.

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Mergers and Acquisitions for Expanding Service Offering

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Keywords: mergers and acquisitions, business growth, service-led growth, integration duration, experiment

Description: This study provides experimental evidence that enduring cultural conflict in the postmerger firm creates a situation where acquiring firm will experience difficulty in integrating the two different organizations and will find the benefits of the merger much less than expected.

EXTENDED ABSTRACT

Research Question
Mergers and acquisitions (M&As) may be a mechanism to expand the service offering because the acquisition of service capabilities might be easier and more cost efficient than building service capabilities and provide much faster expansion than through internal development (Hitt et al. 1996). To realize such synergy, many firms have attempted acquisitions. Unfortunately, more than half of all M&A transactions actually reduce shareholders value as many evidenced. Many researchers (e.g., Angwin 2004; Bauer and Matzler 2014; Cording, Christiann, and King 2008; Datta 1991; Epstein 2004; Homburg and Bucerius 2006; Larsson and Finkelstein 1999; Shaver 2006; Zollo and Meier 2008) attempted to understand M&A in the context of the organization behavior, which aims to look for soundness and adaptability of integrated organization, and identified inefficient integration process as a cause of merger failure. However, they provided inconsistent views on the relationship between organizational culture, different aspects of integration (i.e., level of integration and speed of integration), and merger success. Therefore, a further investigation of the relationship must be conducted to better understand M&A in the context of the organization behavior.

In response to these research gaps, I examine the performance consequences of strategic change implementation when a distinct and sustainable organizational culture plays a role in determining the performance gain as well as performance loss in M&A. In doing so, I identify a relationship between cultural conflict, postmerger integration, and merger success.

This study has two research objectives. The first objective is to identify the positive relationship between cultural difference and integration duration. We expect that organizational effort to integrate different groups will be negatively affected by the distinct and sustainable organizational culture of merger partners. The second objective is to find if there is a negative relationship between the integration duration and merger success. We expect that the shorter the integration duration is, the less the hardship will be.

Method and Data
This study conducted an experiment where a distinct culture is developed within subjects and integrated for a merged entity to compare pre- and postintegration performances. In the experiment, two stages are considered. The first stage, the premerger stage, is to let subjects build their own group cultures by performing rounds of role-playing with a task. The task is developed based on the study by Clark and Wilkes-Gibbs (1986) and Schober and Clark (1989) to address how shared meaning (i.e., culture) arises in language. Student subjects with work experience in a business school were recruited for the experiment. There are 40 premerger groups with 120 subjects in the premerger stage. Task completion times of individual subjects are measured and rewarded for 30 rounds in the premerger stage.

After stage one, two of the groups are merged. One group is randomly selected for being merged with the other. Considering different firm sizes in typical mergers (see Gorton, Kahl, and Rosen 2009; Oh et al. 2014), this study creates 30 mergers. In postmerger groups, the subjects conduct the same task as they do in the earlier stage for another 20 rounds. The completion times of individual subjects are measured and rewarded.

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Summary of Findings
The results from the experiment indicate that organizational effort to integrate different groups can be negatively affected by the distinct and sustainable organizational culture of merger partners. Thus, the more there exists a cultural difference between merger partners, the longer the integration duration will be. The results also indicate that the shorter the integration duration is, the less the hardship can be. That is, there is a negative relationship between the integration duration and merger success. In sum, this study provides experimental evidence that enduring cultural conflict in the post-merger firm creates a situation where acquiring firm will experience difficulty in integrating the two different organizations and will find the benefits of the merger much less than expected.

Key Contributions
This study provides experimental evidence that cultural conflict between merger partners negatively affects organizational effort to integrate different groups and that there is a negative relationship between integration duration and merger success. Therefore, this study fills the research gap identified providing the first experimental evidence for the earlier research (e.g., Angwin 2004; Epstein 2004; Homberg and Bucerius 2006).

As evidenced in the M&A literature, a significant amount of research has highlighted the importance of postmerger integration for merger success. However, the focus of research has been on the strategic and functional synergy between the firms involved. Less attention has been focused on the integration duration and its influence on the human side of M&A that produces more intense effects in the service sector than in other firms (Weber 1996). This study fills the gap and provides important implications for M&As among service firms.

This study finds that enduring cultural conflict in the post-merger firm can create a situation where acquiring firm experiences difficulty in integrating the two different organizations and finds the benefits of the merger much less than expected. Therefore, managerial attention should be directed towards the issues of culture, the individual organizational members involved, and the factors that affect integration duration.

References are available on request.
Chief Marketing Officer (CMO): Beyond Return on Digital Marketing Investments

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Keywords: business funding, customer obsession, market strategy, digital transformation

Description: The purpose of the paper is to examine the chief marketing officer’s operations function as a customer obsession capability driven by strategy, operationalized by people, data and technology to deliver an optimum business funding result.

EXTENDED ABSTRACT

Chief operating officers (CMOs) struggling to evolve beyond being the chief marketer to take charge as a full corporate officer by transforming marketing into an engine of funding and growth. This study explores how the CMO brings in the digital transformation to help reduce the risk of business accountability and funding to give to the boardroom, stakeholders, and the executive team more responsible approach to customer experience. CMO’s are on the hook for not only to elevate the customer experience, support the build of an infrastructure that attracts, retains and activates customers but also demonstrate a tangible return on investment to the leadership team. Digital leadership has become one of the primary function of the CMO’s job description at any firm. They are entrusted to drive companywide transformation for a successful future in the digital economy. CMO’s are required to tackle evolving market challenges and customer obsession.

Investigating CMO tenure through a longitudinal study of the antecedents of CMO turnover, Nath and Mahajan (2017) argued that the CMO turnover increases if firms’ sales growth is poor, highlighting marketing’s contextual role vis-à-vis performance metrics. Engelen et al., (2013) argued the effect of the CMO social capital along the dimensions of the utilization of managerial ties, trust, and solidarity as strong drivers on his or her influence in the top management team (TMT) in a multicultural context. Earlier findings of Nath and Mahajan (2011) show that CMO power increases when the CMO has the additional responsibility of sales improves sales growth, as TMT marketing experience decreases, and as firms with low levels of TMT, marketing experience pursue innovation. Eric, Chandy, and Cunha (2010) suggested that CMOs impact on the financial performance of the firm is highly contingent on the managerial discretion available to them. Homburg (2014) argued that the characteristics of the CMO may endow new ventures with marketing legitimacy.

Today’s CMO wears more hats than ever before, often having to play the role of technologist, data analyst, culture advocate, strategist, and the list goes on. They’re on the hook for not only elevating the customer experience, supporting the build of an infrastructure that attracts, retains and activates customers but also demonstrating a tangible return on investment to the leadership team. Despite their growing list of priorities and demands being placed upon them, most CMOs are simultaneously running up against a growing list of challenges that often block success. Most of these, however, can be overcome with the right person, data and funding opportunities!

The key question examined by the research study is how CMO are adding value to different business functions (production, marketing and sales, purchasing and logistics, research and development and finance)? This study used qualitative content analysis methodology and relied on recent marketing research articles, cases, and surveys. Using a sample of Fortune 100 firms for the period from 2010 to 2017, the author finds that the presence of an influential CMO in C-Suite will not only act as a strategic counsel for funding and growth but also positively associated with the likelihood of a firm issuing a management revenue forecast. This study concludes that CMO’s are to lead digital transformation with attractive funding and create a customer-centric company culture. This study recommends that CMO’s balance amidst the rush to innovate. The findings provide
insights for venture capitalists, researchers, and public policymakers.

**Research Questions**
This study focused on the following key research questions:

Q1: CMO’s are to have customer obsession and define a customer experience aligned with the brand promise?

Q2: CMO’s are to provide customer insights to formulate the digital business strategy?

Q3: CMO’s are to recognize technology’s impact on customers and the business?

Subquestions addressed by the study include:

Q1: How are CMO’s adding value (funding) to different business functions (production, marketing, and sales, purchasing and logistics, research and development, and finance)?

Q2: How are CMO’s building customers partnership and experience, trust, and sharing risks and rewards propelling customer lifetime value?

Q3: How are CMO’s using integrated data analytics and IT transformation and communication methods to help facilitate marketing operations?

**Method and Data**
This study used qualitative content analysis methodology and relied on recent marketing research articles, cases, and surveys. The author analyzed a comprehensive data set of Fortune 100 high-technology ventures. Consumer-facing industries such as financial services, communications, media and entertainment, consumer goods, and retail are leading the way in appointing the CMO’s enhancing funding opportunities. The February CMO Survey (2019) finds CMOs preoccupied with growth initiatives. When asked for their top challenge in 2019, 37.9% of marketing leaders ranked growth as their #1 challenge and another 28.9% ranked it as either #2 or #3.

B2B marketers are the most optimistic as are medium-sized companies ($100-499 million). Marketing leaders expect customers to place a stronger emphasis on price (48% increase) and trusting relationships (44% increase). Tech companies expect stronger purchase volumes and purchases of related products and services from partners. Demonstrating the financial impact of marketing actions was identified as the top challenge for marketing leaders (across economic sectors) to implement on a regular basis. The majority of marketing leaders from companies with revenues between $500-999M are utilizing Artificial Intelligence for predictive analytics and customer service. This study offers initial insight into the role of CMO’s for new ventures exploration and funding.

**Summary of Findings**
The author finds that the presence of an influential CMO in top management is positively associated with the likelihood of a firm issuing a management revenue forecast. The author also finds that firms with influential CMO provide more accurate revenue forecasts than other firms. These findings are consistent with the notion that CMO influence in top management appears to play an important role in voluntary revenue disclosures. The findings of the study indicate that the CMO’s to have not only the political strength in the C-suite aligned with the firm’s goals but also seen as a strong voice of the customer for a successful year after year funding.

To sum up, CMO’s are to take charge:

- By communicating clearly with the C-suite;
- By focusing on customer insights justify their seat at the board table;
- By becoming the strategic counsel for funding/growth—-their responsibilities and knowledge demands.
- Lead digital transformation with attractive funding.
- Differentiate content marketing strategy.
- Build a community around their firm’s brand.
- Create a customer-centric company culture.
- Design high-impact customer loyalty programs.

These findings provide insights for researchers, venture capitalists, entrepreneurs, and public policymakers. Digital transformation serves as the central plot point in the story of the CMO’s evolution.

**Key Contributions**
The key contributions of the study suggest that CMO’s:

- Set and Implement Strategy: Develop a clearly defined and compelling strategy for the company’s future and ensure that all relevant digital initiatives are fully integrated into the strategic-planning process for leadership commitment, resource allocation, and execution.
- Cross-Functional Change Agent: the CMO must be the company’s central leader and integrator in the transformation process, serving as an intermediary between all other executives and functions in the rollout of initiatives and capabilities.
- Driving Innovation: The CMO should own and centrally monitor the innovation project portfolio, while the deploy-
ment of the individual projects may rest with other executives and teams.

- ROI Measurement: CMO should monitor and report on the Return of Investments (ROI) outcomes of digital projects and investments—linked to enterprise KPIs—with the goal of demonstrating the positive impact from these initiatives.

- Expanding the Innovation Ecosystem: Build, manage and continue to grow an internal and external innovation ecosystem, tapping into competencies across and beyond the organization (in an external partner network) to apply digital technologies to the business.

- Talent Development: The CMO must work closely with Human Resources to attract and retain top talent and to build digital capabilities across the company.

References are available on request.
Research Question
The benefits of share repurchases, which reflect the mechanism of buying back a firm’s own outstanding shares from the stock market to increase their share price and distribute cash to shareholders, have been broadly covered by finance scholars (e.g., Busch and Obernberger 2017; Dittmar and Field 2015). However, studies on share repurchases outside the context of financial markets have found a darker side represented in their market-related outcomes: when done excessively, they are usually incentivized by maximizing executives’ stock-based compensation (Kim and Ng 2018) and can lead to cutting crucial long-term investments such as marketing, R&D, or CAPEX to finance the repurchases (Bendig et al. 2018; Grullon and Michaely 2004). Research to date has only emphasized financial motivators behind repurchases without addressing the strategic decision-making-patterns that drive CEOs to repurchase shares. Crossland, Zyung, Hiller, and Hambrick, (2014) argue that the patterns CEOs instrumentalize in creating novel strategies are shaped by the variety of their overall career. We therefore aim to address following questions:

1. Will CEOs with a high career variety recognize the circumstantial hazards of share repurchases and deprioritize them as an investment?

2. How will high-variety CEOs react to share repurchases when faced with stock option pay?

Method and Data
To answer our research questions, we set up two hypotheses:

1. Hypothesis 1: CEO career variety is negatively associated with share repurchases

2. Hypothesis 2: CEO stock option pay positively moderates this relation

Our sample includes 316 S&P500 firms (677 CEOs) over a period from 2005 to 2017. For share repurchases we deploy firms’ Forms 10-K and 10-Q from the SEC. Further, CEO career variety, i.e. the array of distinct professional and institutional experiences an executive has had prior to becoming CEO, was hand-collected from numerous sources including firms’ 10-Ks, short biographies, company websites and press search, as well as the professional profiles of executives on social media sites.

Our moderating variable CEO stock option pay was calculated as a two-year average proportion of total pay comprised of stock options, i.e. the ex-ante value of options granted divided by total compensation (as reported by Execucomp).

We control for multiple factors that potentially influence share repurchases such as firm size, free cash flow, financial slack, working capital, leverage, CEO age, and CEO tenure.
To test our hypotheses, we deploy a generalized estimating equations (GEE) with a Gaussian distribution, an identity link function, and an autoregressive (one year) within-group correlation structure.

**Summary of Findings**

Both hypotheses have been supported by our results:

**Hypothesis 1:** Arguing that CEO career variety is negatively associated with share repurchases, is accepted ($\beta = -0.22; p < .01)$

**Hypothesis 2:** Arguing that CEO stock option pay positively moderates the relationship between CEO career variety and share repurchases, is also accepted ($\beta = 0.11; p < .05)$

Consequently, high-variety CEOs will normally deprioritize share repurchases, however, when faced with stock option pay, they will be more willing to buy back stock.

**Key Contributions**

We contribute to marketing literature by providing a framework on how to overcome investment decisions that might impair customer satisfaction and innovation. Previous studies provide evidence that repurchasing firms engage in more marketing myopia and experience more product recalls (Bendig et al. 2018), both of which have been linked to a declining brand equity (Srinivasan and Hanssens 2008).

Furthermore, we present a more comprehensive understanding of CEO career variety. Previous research has linked high-variety CEOs to strategic dynamism and distinctiveness (Crossland et al. 2014), for which we provide a practical manifestation in the form of deprioritizing share repurchases. Together with previous research on career variety we now know that high-variety CEOs lead to significant strategic change, not only through pursuing novel strategies, but more importantly by being comprehensive in assessing all available options and if needed deprioritizing traditional investments such as share repurchases.

Finally, our study provides one of the first intersections between share repurchases and the TMT literature stream from a strategic management perspective. Previous research connecting share repurchases to TMT elements has only done so with an emphasis on corporate finance, whereas our results contribute to the decision-making-pattern regarding repurchases, and the role of behavioral and cognitive attributes.

*References are available on request.*
The Construct of “Conceptual Article Quality” and Its Dimensions: An Empirical Study

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Keywords: conceptual articles, theory construction, knowledge development, relationship marketing, article quality

Description: This paper develops the construct of “conceptual article quality,” delineates its constituent dimensions and determines their relative contribution.

EXTENDED ABSTRACT

Research Questions
This paper addresses the following research questions. First, what makes an impactful conceptual article? In answering this, we develop the construct of “conceptual article quality” by synthesizing relevant literature and then delineate its various dimensions. Although various studies have examined journal quality (Lowry et al., 2013; Mingers and Yang, 2017; Soutar and Murphy, 2009), to the best of our knowledge, no study has focused on conceptual article quality.

Next, what is the relative contribution of different dimensions to conceptual article quality? Toward this end, we empirically test the construct in terms of impact of the different dimensions on citations, a well-accepted indicator of article impact.

Third, what is the quality of the conceptual articles in the field of relationship marketing (RM)? In addressing this, we use the framework of conceptual article quality and examine the conceptual articles published in RM over a period of four decades starting 1978.

Method and Data
We consider conceptual article quality as a multidimensional construct comprising eight distinct dimensions developed by synthesizing literature in this domain. The eight dimensions are: novelty, interestingness, generativity, theoretical contribution, practitioner usefulness, argumentation, theorizing, crafting and generalizability. We hypothesize that each of these quality dimensions contribute directly to article impact. Further, Stremersch, Verniers and Verhoef (2007) have shown empirically that article length and article order have direct impact on citations. Therefore, we also hypothesize that article length and article order moderate the relationship between conceptual article quality and article impact, measured in terms of citations. The studies on journal quality also indicate a relationship between journal rankings and citations. Therefore, we additionally hypothesize that journal quality, measured in terms of rankings, moderates the relationship between conceptual article quality and impact.

The empirical testing of the conceptual article quality (CAQ) framework has been done in the context of relationship marketing (RM) literature. We chose the context of RM literature as we are well versed with this domain and will be able to better evaluate the conceptual contributions in this field. Additionally, this is a field that has attained significant maturity and therefore, is a fit candidate for detailed examination.

We began by using the systematic review method, as part of which we selected the top 20 marketing journals identified by Baumgartner and Pieters (2003). In addition, we added six more high impact marketing journals with impact factor exceeding 2.5 for 2018 (e.g. International Journal of Research in Marketing, Journal of Interactive Marketing,
The final list of 26 journals is a combination of pure marketing journals (e.g., *Journal of the Academy of Marketing Research, Journal of Marketing, Marketing Science, etc*) and hybrid ones (e.g., *Harvard Business Review, Journal of Service Management, Management Science, etc*) that make major contribution to the discipline of marketing.

In the next stage, we developed a protocol comprising a set of keywords to help identify papers on relationship marketing. Examples include “relationship marketing,” “marketing relationships,” “relations,” “buyer-seller relationships,” “inter-firm relationships,” etc. Subsequently, we visited the websites of the chosen journals and downloaded articles volume-by-volume and issue-by-issue based on presence of word(s) from the protocol in the title, abstract, or article keywords. This resulted in 1,595 downloaded articles spread over a 40-year period starting 1978. Then after, we checked each of the articles for direct relation to RM in light of the comprehensive definition provided by Gronroos (1990). Two of the authors independently classified each of the 1,589 articles as related or nonrelated. The final count of related RM articles was 1,277. In the next stage, the same two judges independently reviewed the RM articles and classified them as either conceptual or empirical. The final count of conceptual articles in RM was 293. The interjudge agreement in each of the stages was above 85%.

We now discuss the measurement of variables. To begin with, we measured the impact of articles in terms of Google Scholar citations. We measured article length in terms of page count. Article order is the order of the article on the table of contents page. Journal quality indicator is the ABS journal ranking system which ranks journals in terms of 1*, 1, 2, 3 and 4. For measuring the independent variables (i.e., conceptual article quality dimensions), we once again used the systematic review method, as part of which two of the authors independently evaluated each of the conceptual articles on the different dimensions. Subsequently, we used different statistical procedures.

**Key Contributions**

The understanding of conceptual article quality will enable interested authors to write better conceptual papers leading to higher chances of publication and impact. More specifically, the findings of this study will help academics to prioritize dimensions in their conceptual writing that maximize quality, and thereby, maximize impact. The insight gained from the framework of conceptual article quality can also help in addressing a key concern in marketing scholarship—the decline of conceptual articles (Yadav, 2010). Hopefully, this will lead to generation of better ideas and thereby, better research in marketing (Zaltman, 1983).

Additionally, the present paper will provide an in-depth analysis of the quality of conceptual articles published in the field of RM over a 40-year period starting 1978. At a macro level, the present empirical study will help in identifying ways to improve conceptual contributions in marketing, leading to the building of a more vibrant discipline.

*References are available on request.*
The Role of Marketing Disclosures and Legitimacy in Raising New Venture Capital

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Keywords: marketing disclosures, organizational legitimacy, new ventures, marketing-finance interface, fundraising

Description: The present study examines the role of certainty and differentiation dimensions within new ventures’ marketing disclosures on acquiring financial capital from investors.

EXTENDED ABSTRACT

New ventures often seek financial resources to enhance development and growth. However, such fund raising is often inhibited due to information asymmetry between new ventures and investors (Homburg et al. 2014). Prior research suggests investors try to reduce information asymmetry by securitizing signals related to the quality of new ventures (Homburg et al. 2014; Ko and McKelvie 2018). In the present study, we explore whether marketing disclosures by new ventures impact the ability to raise venture capital.

Marketing disclosures are the messages and/or media content that a firm utilizes to communicate with other firms or individuals in a market (Duncan and Moriarty 1998). Founders of new ventures may utilize marketing disclosures to announce future directions or growth plans for their ventures, such as plans to develop new products and services or establish new alliances (e.g., Xiong and Bharadwaj 2011). In this study, we show that marketing disclosures are an additional source of information that can serve as a reliable means of reducing information asymmetry between investors and new ventures. Marketing disclosures are in fact necessary as a lack of revenue in new ventures mitigates the usefulness of financial disclosures. Marketing disclosures can thus signal firm operational and strategic effectiveness in place of financial statements.

Research Question

This study aims to answer two questions: (1) do marketing disclosures help new ventures acquire financial resources from investors, and; (2) do new ventures’ characteristics influence the impact of marketing disclosures upon fund raising? Using signaling theory, we identify two key dimensions of marketing disclosures—certainty and differentiation—that play key roles in increasing the fundraising performance of new ventures. Certainty refers to the confident, resolute, exercitive, and commissive tones conveyed within disclosures that new ventures publish (Searle 1976; Holmes 1982). Differentiation is defined as the extent to which new ventures distinguish themselves from competitors or other firms in their industries (McGee et al. 1995; Deephouse 1996).

To address the second research question, we argue that investors recognize marketing disclosure signals differently if the signal is sent by a new venture that has higher organizational legitimacy. Organizational legitimacy is defined as a “general perception or assumption that the actions of an entity are desirable” (Suchman 1995, p. 574), and serves as a signal to investors that a new venture is desirable, which in turn enhances the likelihood that the investors will perceive its marketing disclosures as more informative (Zimmerman and Zeitz 2002).

Method and Data

The data for this study was compiled from multiple sources including LinkedIn, LexisNexis, ABI/Inform, USPTO, ReferenceUSA databases for each firm in our sample (e.g., Petkova et al. 2013). We followed previous studies to measure variables...
in our model. Control variables included firm-, signal-, and industry-level factors that may affect the abilities of new ventures to raise capital from investors. We calculated Variance Inflation Factors (VIF) for all regression models to test for possible multicollinearity (the largest VIF value is 3.70). We address the endogeneity issue by utilizing the two-stage Heckman procedure proposed by Heckman (1979), which is widely accepted by scholars in the marketing literature (e.g., Mishra and Modi 2016; Han et al. 2017). We also estimate the coefficients by using an Ordinary Leased Squares (OLS).

**Summary of Findings**

Results from 273 new U.S.-based firms show that new ventures benefit more if their legitimacy signals to investors complement the signals in their marketing disclosures. In other words, our study shows that investors value the differentiation dimension of marketing disclosure signals more if those signals are sent by a new venture with high normative legitimacy. Particularly, H1a is supported as the coefficient of the certainty level is positive and statistically significant (.125, p < .05). In support of H1b, the associated coefficient for Certainty upward flow is positive and significant (.548, p < .01). H2a is supported as the estimated coefficient for Differentiation level is significant with a positive sign (.216, p < .01). Differentiation upward flow has a positive significant coefficient (.425, p < .01) therefore H2b is statistically supported. H3a for regulatory legitimacy is not empirically supported (.038). H3b for normative legitimacy is statistically significant (.222, p < .01). H3c for cognitive legitimacy is not supported (.062).

**Key Contributions**

First, this study contributes to the marketing literature by highlighting the effects of differentiation and certainty aspects of marketing disclosures on the process of raising financial capital before an IPO, when information about firms is minimal. This study extends our understanding of how marketing disclosures support fundraising processes by enabling new ventures to signal competencies to investors during the early stages of business development. Indeed, our results indicate that the certainty and differentiation aspects of marketing disclosures provide a viable signal to investors about the true quality of new ventures.

Second, our research contributes to both marketing and signaling literature by distinguishing between the level and flow of certainty and differentiation in marketing disclosure signals and examining their effects. Previous studies examined the credibility of signals at a given point in time (see Conelly et al. 2011 and Bergh et al. 2014 for a comprehensive overview). However, recently scholars have suggested that to examine the possible impacts of signals to receivers fully, the dynamic, time-dependent effects of the signals also need to be considered (Davila et al. 2003; Carter 2006; Conelly et al. 2011; Etzion and Pe’er 2013). We respond to this call, and contribute by examining time-varying effects of marketing disclosures.

*References are available on request.*
Points of Purchase:
New Frontiers in Retail

I’m So Much Cooler Online: Exploring Online Shopping
Offline-Online and Online-Offline Channel Integration: Paths-to-Purchase in Omni-Channel Retailing

*Amelie Winters, Bernhard Swoboda*

I’ll Have What She’s Having: The Influence of Social Scarcity Cues Online

*Jennifer L. Stevens, Stacie F. Waites, Tyler Hancock, Brett Kazandjian*

What Drives Young Shoppers? Comparing Millennial and Generation Z Online Consumer Behavior

*Krista Lauring, Eric Van Steenburg*

Hey Alexa, Order Groceries for Me! Anthropomorphization Increases Online Grocery Shopping Satisfaction

*Reema Singh*

Let’s Get Physical: Exploring Offline Shopping
In-Store Digital Projections—How Vividness Impacts Sales

*Dhruv Grewal, Elisa B. Schweiger, Anne L. Roggeveen, Carl-Philip Ahlbom, Jens Nordfält*

The Growing Long Tail in the Brick-and-Mortar Channel?

*Jake D. Hoskins*

When Touch Leads to Adverse Attitudes and Behaviors

*Steven Liu, Zhan Wang, Sang Bong Lee*

Exploring Mannequin Display Effect on Consumers’ Purchase Intention: An Embodied Cognition Theory Perspective

*Mark Yi-Cheon Yim, Haeyoung Jeong, JeongGyu Lee*
Offline-Online and Online-Offline Channel Integration: Paths-to-Purchase in Omni-Channel Retailing

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Keywords: offline-online and online-offline channel integration, channel congruence, omni-channel retailing, moderated mediation

Description: Knowledge on consumer responses to simultaneously perceived but different channel integration options remains scarce; therefore, the paths through which offline-online channel integration options or online-offline ones transform into offline and online purchase intentions are studied.

EXTENDED ABSTRACT

Research Question
Retailers seek to enhance consumers’ purchase intention by integration of channels (Li et al. 2018). Scholars acknowledge channel integration as an important strategic option for retailers. However, respective effects on consumer behavior were mostly examined from a holistic, undirected perspective, i.e., not differentiating both directions of channel integration. Scholars call for research on the application of channel integration directions, i.e., offline-online and online-offline channel integration (Shen et al. 2018; Zhang et al. 2018). The addition of offline-online channel integration to previous online studies, for example, might change former results (Herhausen et al. 2015). Therefore, based on the accessibility-diagnosticity theory (Feldman and Lynch 1988), we aim to advance extant knowledge by analyzing whether and how the underlying paths transform both offline-online and online offline channel integration into offline and online purchase intention. In doing so, we offer new insights on differentiated channel integration effects on consumer behavior. We also study important crosswise effects. Moreover, we ask whether the paths-to-purchase change depending on channel congruence.

Method and Data
We chose four German fashion retailers for data collection (N = 722; in-home interviews recruited from an existing panel and regularly making offline and online fashion purchases). To develop the sample, quota sampling was employed (acc. to gender and age). The constructs were measured using established seven-point Likert-type scales. We controlled for age, gender and general internet experience. Tests for model fit statistics, common method variance and endogeneity were satisfactory. We applied structural equation modeling using Mplus to test the hypotheses. The latent moderated structural equations method (LMS; Cheung and Lau 2017) was used to calculate the latent interaction effects. We thus predict moderated mediation.

Summary of Findings
In offline purchase decisions, the diagnosticity of offline-online channel integration depends on offline and online marketing offerings, what is not the case for online-offline channel integration. Various crosswise effects occur, which could not be addressed when conceptualizing channel integration as one holistic, undirected construct. The results of the total paths clearly indicate the dependence of offline purchase intention on both offline-online and online-offline channel integration, even when the first one is the stronger lever for omni-channel retailers.

In online purchase decisions online-offline channel integration becomes diagnostic only via the respective online marketing-mix (no crosswise effects occur; supporting studies by, e.g. Herhausen et al. 2015), while offline-online channel integration becomes more diagnostic via the effect through online offerings. However, the total path results underline

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the superiority of offline-online channel integration even for online purchase intentions. Moreover, channel congruence acts as a diagnosticity multiplier or minimizer for channel integrations in offline purchase decisions.

**Key Contributions**

This study contributes to our understanding of the underlying paths through which omni-channel retailers transform offline-online and online-offline channel integration into offline and online purchase intentions. Channel integration options do not directly determine purchase intentions in any case. For managers aiming to increase offline purchase intention our results indicate that offline-online channel integration is the strongest lever, as it is when aiming to increase online purchase intention. Finally, the aforementioned levers are only valid without observing perceived congruency.

*References are available on request.*
I’ll Have What She’s Having: The Influence of Social Scarcity Cues Online

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Tyler Hancock, Mississippi State University
Brett Kazandjian, Mississippi State University

Keywords: scarcity, e-commerce, retailing, commodity theory

Description: This research aims to understand the influence of social scarcity cues online and the potentially negative impact for e-retailers.

EXTENDED ABSTRACT

Research Question
How does scarcity translate to the online environment? Specifically, this research aims to understand the influence of social scarcity cues online and their impact on e-retailers.

Method and Data
Two studies explore the impact of social scarcity cues on two key outcome variables—product desirability and intentions to seek the product elsewhere—as well as the mediating effect of curiosity. Both studies utilize an experimental design to capture perceptions of scarcity—either randomly assigned to a control group or receiving a social scarcity cue. Study 1 utilizes linear regressions to evaluate the direct effect between social scarcity cues and the two dependent variables of interest: product desirability and intentions to seek the product elsewhere. Study 2 extends the findings by exploring the underlying mechanism of these effects utilizing PROCESS Model 4 to test the mediating effect of curiosity. Both studies use respondents recruited from an online panel.

Summary of Findings
The results of Study 1 indicate that social scarcity cues (e.g., “In Another User’s Bag”) influence perceptions of a product’s desirability and intentions to seek that product elsewhere. Study 2 provides evidence that curiosity is the underlying mechanism driving these effects. Specifically, respondents who saw a social scarcity cue exhibited higher levels of curiosity, which increased product desirability and intentions to seek the product elsewhere.

Future research should continue to explore the unique influences of social scarcity cues to understand how e-retailers can benefit from these cues, while minimizing consumers’ intentions to seek the product elsewhere.

Key Contributions
This research conceptualizes a new type of scarcity cue implemented online—a social scarcity cue. Social scarcity cues are used to indicate that other consumers desire a product, leading to a perception of limited quantity (e.g., “This item is in another customer’s cart” or “# people have viewed this product recently”).

Prior literature has principally focused on the positive outcomes of scarcity in traditional retail environments, such as enhanced product evaluations and purchase intentions. Our results replicate the positive outcomes for products in online retail environments. However, we also find that these types of scarcity cues may harm the very e-retailers implementing them. Our results indicate that when a consumer receives a social scarcity cue, they are more likely to seek that product from an alternative e-retailer when they are ready to purchase it. Thus, the scarcer a product is perceived to be, the more beneficial it is for the product’s manufacturer, but the less beneficial it is for the e-retailer.

References are available on request.
What Drives Young Shoppers? Comparing Millennial and Generation Z Online Consumer Behavior

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Eric Van Steenburg, Montana State University

Keywords: Generation Z, millennials, consumer behavior, online shopping behavior

Description: This paper investigates the differences between Generation Z and Millennial online shopping behavior and determines how marketers can tailor the online shopping experience for each generation.

EXTENDED ABSTRACT

Research Question
Little research exists into the online shopping habits of Generation Z. How, then, should retailers prepare for the next generation of online shoppers? Are there differences between Generation Z and Millennials online shopping behavior? If so, what should retailers do with the online shopping experience to cater to each cohort?

Method and Data
A 48-item instrument was distributed online nationwide in fall 2018 with participants including members of two generations: Generation Z (17-21 year olds) and Millennials (22-26 year olds). Following removal of participants who failed to complete the survey or didn’t follow directions, the Gen Z sample (n = 129) had a mean age of 19.2, while the Millennial sample (n = 121) had a mean age 24.0. Independent variables used in this study were online shopping, impulse buying, and need for cognition. After respondents completed the scales measuring individual differences, they were given a task requiring them to find the best smartphone as a gift, with measures from the task used as dependent variables in the research. These included dwell time on the website, number of pages visited, and duration away from the survey. Respondents were then directed to a website owned by the researchers and designed to look like a Google search engine results page, with nine different smartphone options presented. After completing the task, respondents returned to the survey to select which of the nine smartphones they would purchase. Additional dependent variables measured included involvement in a task and website shopping comparison ability.

Summary of Findings
The research showed that impulse buying was a driver of Millennial behavior but was not a strong driver for Gen Z behavior. Gen Z does not look for immediate gratification in online purchases as the Millennial generation does as the results show need for cognition as a better predictor of online shopping behavior for Gen Z. Marketers will need to take this into consideration when targeting this generation and designing and strategizing the company’s online presence. Based on the results, online shopping confidence affected Millennials as it was a predictor for their involvement in the task. However, Gen Z did not rely on confidence as expected. While Millennials compare on more websites, spend more time on a website, and visit more pages on that site, Gen Z can navigate and identify their best option faster, visiting fewer pages. This is important for marketers to understand because it appears Gen Z can make educated online purchasing decisions more quickly than the previous generation. Thus, elements such as page loading time and availability of pertinent information above the fold become important to attracting purchase behavior from Gen Z.

Key Contributions
Results show significant differences between Gen Z and Millennials for pages visited and website shopping comparison, and a marginally significant difference for impulse buying.

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For Generation Z, the overall model was significant for session duration, with the variables need for cognition, involvement in the task, and website shopping comparison all significant predictors of how long an individual spent evaluating and purchasing a smartphone. However, the same model was not significant for Millennial respondents. When examining involvement with the task as the dependent variable, the overall model was significant for Gen Z and Millennial respondents. However, more variables showed significance in the evaluation of the smartphone for the latter, leading the Millennial model to have more variance explained (36.4%) than the Gen Z model (13.3%). Finally, the overall model for website shopping comparison was significant for both Gen Z and Millennial models, with the Millennial model having more variance explained (41.8%) compared to the Gen Z model (14.0%). However, the number of pages visited and time spent on the shopping site was the opposite of the predictions. Specifically, Millennials visited significantly more pages and spent significantly more time on the website completing the task compared to Gen Z.

*References are available on request.*
Hey Alexa, Order Groceries for Me! Anthropomorphization Increases Online Grocery Shopping Satisfaction

Reema Singh, Stockholm School of Economics

Keywords: anthropomorphism, voice activated device, interpersonal trust, emotional attachment, satisfaction

Description: The present research highlights that when consumers form an emotional attachment with the anthropomorphized voice activated device such as Alexa, both emotional attachment and anthropomorphism have significant influence on overall online grocery shopping satisfaction mediated by the consumers’ interpersonal trust.

EXTENDED ABSTRACT

Research Questions
The research questions are also the proposed hypotheses:

1. Can anthropomorphizing AI devices such as Amazon Alexa can increase online grocery shopping satisfaction when consumers feel that they have an emotional attachment with the anthropomorphized AI device?

2. Does consumers’ interpersonal trust have a mediating effect of anthropomorphizing AI devices and emotional attachment on the online grocery shopping satisfaction?

Method and Data
Two sets of experiment were conducted, first experiment served as the pilot study and the other experiment was conducted to test the two research questions.

Pilot Study
N = 203 participants located in U.S., currently using voice activated device Alexa or Google Home based were recruited through Mturk. The participants were asked to describe how they use Alexa/Google home if they used it for grocery shopping. They were then asked to indicate to what extent they perceived the device to be human on measurement scale adapted from Wytz et al. (2007) and the extent to they felt personal connection in terms of three aspects (Bagozzi, Batra and Ahuvia (2016): intuitive fit, emotional attachment and positive affect. Satisfaction was measured using the Bagozzi et al (2016).

Experiment 1
N = 246, US based Mturk respondents were used shown two videos about online grocery shopping, the manipulation video, was about online grocery shopping using Alexa and the no manipulation video the actors did grocery shopping via personal computer. The participants were randomly (evenly) shown these videos. Anthropomorphism, emotional attachment and satisfaction were measured using the same scale as we used in the Pilot study. Interpersonal trust was measured using the 18-item Likert-type scales from Rempel and Holmes (1985)

Summary of Findings

Pilot Study Findings
The data indicated significant correlation between grocery shopping usage and anthropomorphism (r = 0.23; p < 0.001) and between anthropomorphism and emotional attachment. Moreover, emotional connection was also significantly correlated to overall satisfaction (r = 0.24, p < 0.001). Also, we checked for mediating moderating effect of anthropomorphism and emotional connection on the overall satisfaction when used for online grocery shopping. We found a significant mediating moderating effect at p < 0.001

Experiment 1
Participants perceived voice activated device more human than the personal computer MAnthropomorphized = 3.95; Mcontrol = 3.26; t246 = 2.56; p < 0.05. Interpersonal trust
scores ($\alpha = 0.9$) with $M = 5.38$. Mediation moderations analysis using PROCESS (Hayes) model 7 confirmed the mediation of the grocery shopping usage on the overall satisfaction through perceived anthropomorphism is moderated by the emotional connection consumers have with the device (index = 0.095) CI = [0.001, 0.245]. Results supported our hypotheses that interaction between anthropomorphism and emotional connection ($F(1, 241) = 5.99, p < 0.05$, is mediated by interpersonal trust, resulting in significant effect on overall satisfaction ($F(3, 242) = 15.69, p < 0.001$).

References are available on request.
In-Store Digital Projections—
How Vividness Impacts Sales

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**Keywords:** retail, digital displays, vividness, transportation theory, field experiments

**Description:** Extending send-of-aisle with digital projections helps shoppers understand how to use promoted products, and subsequently, lead to higher sales.

**EXTENDED ABSTRACT**

**Research Question**

How do different levels of vividness of in-store projections impact sales of products advertised on end-of-aisle displays?

**Method and Data**

Three field experiments were conducted for this research project in three supermarkets. Each store put up two end-of-aisle (end-cap) displays consisting of pasta and tomatoes, or nut mixes for the duration of the study. The end-cap displays were then complemented with one of three conditions: either a video was projected on the floor by the end-cap display showcasing the products in a simple fashion (the dynamic condition), in a second condition (vivid condition) a video projected a more vivid video, for example, showing that are “falling down” from the physical display in addition to the product information shown in the dynamic condition. The third condition was a static, no-projection condition. Each condition ran for one week. The research design utilized a Latin square design so that each store ran a different condition at any given week.

Each of the experiments used different data sources to triangulate potential effects: retailer aggregated sales data (three stores for three weeks) was used in the first study; surveys were used in the second study, and shopper observations in the third study.

**Summary of Findings**

The results show that dynamic content (not too vivid, but more vivid than a regular end-cap display) enhances sales the most. Partly, this is due to increased attention to the focal product display, but it is also due to shoppers’ mental involvement with the focal products. That is, shoppers can imagine themselves cooking with the products. This is in line with transportation theory that argues that shoppers that can visualize themselves using the product are more positively impacted by the message. Attention and mental involvement both lead to higher sales of the focal (promoted) products.

**Key Contributions**

This project contributes to the substantive domain by being conducted in a real-life retail environment, showing that visual projections have the potential to make shoppers understand the assortment better. It also contributes to the literature on transportation theory, in that physical marketing elements (rather than just online or on TV) can transport the shopper into a mental image where they understand how to use the product. This subsequently leads to higher sales for the retailer, while at the same time assist shoppers in their purchasing decision.

*References are available on request.*
The Growing Long Tail in the Brick-and-Mortar Channel?

Jake D. Hoskins, Westminster College

Keywords: retailing, assortment planning, long tail theory, category management, brick-and-mortar channel, category evolution, consumer search processes

EXTENDED ABSTRACT

Research Question
Does long tail theory apply to the brick-and-mortar channel?

Method and Data
• IRI marketing dataset
• 11 years of U.S. retail sales data across 31 CPG categories
• regression analyses

Key Contributions
This work provides an empirical examination in the brick-and-mortar retailing context to challenge the assumption of the field that long tail theory may only apply to online retailing contexts.

Summary of Findings
Low sales rank products (those in the long tail of the distribution) are found to be experiencing sales growth over time. By contrast, high sales rank products (the market leaders) are experiencing sales declines. Long tail theory does appear to increasingly apply to the brick-and-mortar channel.

References are available on request.
When Touch Leads to Adverse Attitudes and Behaviors

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Zhan Wang, St. Cloud State University
Sang Bong Lee, Black Hills State University

Keywords: haptic perception, product touch, maximizing mind-set, information overload

Description: The current research identified the negative effect of the product touch and proposed a means to mitigate the negative effect on subsequent purchase behaviors.

EXTENDED ABSTRACT

Research Question
Touch is a powerful means to explore the environment and critical sensory modality for information gathering and has been repeatedly proven to have a positive effect on subsequent consumer behavior. Nevertheless, the ability to haptically contact and explore product seems not to grant a significant advantage to the traditional retailers in competing with online retailers. Therefore, albeit prior research findings provide converging support on the positive effect of product touch on consumer attitudes and purchase intentions, lately, researchers have raised the concerns about the generalizability of these assumptions. To narrow the gap between experimental design and real-world shopping scenarios, the present dissertation takes the assortment size into consideration and argues that the negative effect of touch is observed when consumers are offered a large choice set. To address this issue, the present dissertation draws on information overload hypothesis to examine whether and when the haptic exploration leads to negative attitudinal and behavioral responses.

Method and Data
In order to test the hypotheses of this research, three controlled laboratory experiments were conduction as a part of the research.

Summary of Findings
The results of the experiments reveal an important boundary condition for the main effect of haptic input, such that when the available choice set is large, touch causes information overload which in turns leads to negative outcomes. Results elucidate the underlying process by demonstrating that the main negative effect is mediated by choice difficulty which is caused by the variety of haptic information obtained by the sense of touch, but not the directly related to the number of options. Across all three studies, findings validate our conception of the negative aspect of product touch by demonstrating its embrace of underlying processes of information overload. The results also suggest that the negative effect of product touch decreased when individuals are willing to devote additional time and cognitive effort into the choice task. Therefore, when priming with maximizing mind-set, which induces the goal to make the best choice and embraces a tendency to seek out superior alternatives, the negative effect of touch is attenuated. Moreover, the cognitive and affective responses elicited by haptic perceptions also help maximizers to weaken their negative psychological and behavioral outcomes associated with their salient goal of make the best choice possible.

Key Contributions
Previous research has focused solely on the positive effect of the product touch, while the negative aspects of product touch have not been properly addressed. The current research pointed out the limitation of this effect. When too much product information is obtained by haptic perception, the negative effects will emerge and create the consequences of information overload.

The present research findings further suggest that the number of items in the choice set is not a reliable predictor of choice overload; instead, the amount of information regarding the choice task is a key determinant to the overload phenomenon.

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Last, as maximizers are willing to devote more cognitive resources to the processing of choice information, these people generally work harder and compare more among options to attain better objective outcomes (Iyengar, Wells, & Schwartz, 2006). The current research utilized the persuasive effect created by product touch to increase consumers’ choice confidence and decrease the comparison tendency of the maximizers. As hypothesized, the results suggest that when touch provides structural information about a product, participants reported higher choice confidence, which weakened the linkage between maximization and negative behavioral and psychological consequences.

References are available on request.
AIUIETGL@WIUVMRP
People find mannequins in fashion apparel retail stores. Fashionable clothes are often displayed on mannequins installed either on a high pedestal or on a ground. Would this higher versus lower mannequin display influence consumers’ purchase intention? If so, what would be the possible moderator and mediator to explain such phenomena? To answer this question, we focus on embodied cognition theory (Förster et al. 2006; Friedman and Förster 2000), which explains that the extent of the movement of our bodies to perceive an object (e.g., looking up and down) can evoke different ways of processing information. For example, while looking up stimulates people to adopt abstract information processing, looking down triggers people to adopt concrete information processing (Kerchhove et al. 2015). Few studies have applied the theory to explain consumers’ purchases in a storefront setting where mannequins are frequently used. The current study aims to empirically test how this view should be used in a real consumer setting. We hypothesize that combining consumers’ shopping motivation (hedonic vs. utilitarian) with the height of mannequins affect consumers’ processing information of the displayed products. Furthermore, the interplay between embodied cognition and shopping motivations will be mediated by mental simulation.

Method and Data
We conducted a 2 (shopping motivation: hedonic, utilitarian) × 2 (display position: high, low) between-subjects lab experiment, predicting that the matched conditions (hedonic + high display or utilitarian + low display) would generate greater purchase intention than the unmatched ones (hedonic + low display or utilitarian + high display). A total of 113 college students (Mage = 20.84, SD = 1.76, male = 41.6%) were invited to a consumer research lab at a national university. In the hedonic (utilitarian) condition, participants were asked to read a scenario to imagine that they are going to attend a social running club next week, and they want a fashionable (functional) outfit to stand out among others (effectively enhance their performances) in the club. After reading the scenario, participants were instructed to enter a partitioned room in which the athletic sports hoodie and the sweatpants were displayed on the mannequin. In the high (low) display position condition, the mannequin was situated on the pedestal (the floor) with the height of one foot (without the pedestal). After viewing the displayed product, participants indicated their purchase intention and completed the questions measuring mental simulation. Finally, participants completed the questionnaire to collect their demographic information.

Summary of Findings
Consumers with a hedonic dominant shopping motivation showed greater purchase intention on items displayed on a mannequin at a high position than those displayed on a mannequin at their eye-level. Specifically, hedonic shopping motivations are likely to guides consumers to fantasize, ide-
alize, and desire a product, which better aligns with abstract information processing stimulated by looking upon the product. When a person looks up to the object, the person’s field of view becomes broader, which helps them being more immersed into the process. Initially, we predicted that utilitarian shopping motivations better incorporate with concrete information processing facilitated by investigating the product at the eye-level. Viewing an object at the eye-level generates a great intention to perceive the object closer, which results in more concrete thinking. However, results showed that displaying the object at eye-level did not enhance the influence of utilitarian shopping motivation on purchase intention. Finally, we found the moderated mediating effect of mental simulation on purchase intention. The mental simulation would be enhanced if the display height and the shopping motivation are properly matched.

**Key Contributions**
In terms of theoretical contribution, we extend the theory of embodied cognition to the context of the storefront setting. We show that our specific bodily movement evokes a certain information processing style. In particular, looking up or at the eye-level affects information processing depending on the type of shopping motivation mediated by the effect of mental simulation. To our knowledge, it is the first research showing that displaying a product on a mannequin at a pedestal (higher than the eye-level) can generate greater purchase intention than displaying a mannequin lower or at the eye-level. In addition to this, the findings of the paper also indicate some meaningful practical implications. When fashion retailers want to appeal their hedonic products to consumers, it needs to be displayed high on a mannequin. On the other hand, when appealing utilitarian products, marketers should think of displaying their products at consumers’ eye-level, which enable them to closely inspect the products and may induce higher purchase intention.

*References are available on request.*
Society and Culture: Exploring Consumer Culture and Diverse Communities

Cross-Cultural Branding
Foreign or Local Brand Name? The Interplay of Brand Name and Brand Origin on Developed Vs. Developing Country’s Brand Evaluation
Sangwon Lee

How National Culture and Country Development Determine the Effects of Perceived Brand Globalness on Consumer Behavior
Carolina Sinning, Bernhard Swoboda

The Relationships Between Global Corporate and Product Brands: The Impact of National Culture and Country Development
Magdalena Klar, Bernhard Swoboda

Trickling Down: Consuming Foreign Products and Lifestyles in China
Weiwei Zhang

Consumer Culture and the Diverse Community
Need for and Development of a Consumer Acculturation Tool: Index Development and Scale Refinement
Kristina Harrison, John Ford, Kiran Karande, Altaf Merchant, Weiyong Zhang

The Relational Consumer: Prosocial Spending and Gift Giving Behaviors
Amandeep Takhar, Olaye Andres, Jen-Hsien Hsu

Analysis of Types of Shock Appeals and Their Impact on Two Diverse Cultures
Prachi Gala, Brian Taillon
Foreign or Local Brand Name?
The Interplay of Brand Name and Brand Origin on Developed Vs. Developing Country’s Brand Evaluation

Sangwon Lee, Ball State University

Keywords: brand name, brand origin, developed vs. developing countries, brand evaluation

Description: This study examines the interaction effect of foreign brand name and brand origin on brand evaluation.

EXTENDED ABSTRACT

Research Question
In this study, the interplay of brand name (especially U.S. vs. Mexican and Japanese vs. Chinese brand name) and brand origin on perceived value of brand is examined. Brand name in marketing has been widely researched. The researchers and marketing practitioners agree that the effective brand name should be easy to pronounce and easy to remember (Keller et al. 1998; Lee and Baack 2014). Despite the importance of brand name in forming brand value, few studies have examined the effect of developed vs. developing country brand name on customer’s evaluation of radically new high-tech product. To fill this gap, this study examines how developed vs. developing country brand name and brand origin affect the customer’s evaluation of the brand in radically new high-tech products. More specifically, using processing fluency theory (Lee and Labroo 2004; Reber et al. 2004), this study can answer the following questions: (1) does foreign brand name (developed vs. developing country brand name) affect the customer’s brand evaluation? (2) does the brand origin (developed vs. developing country) moderate the effect of foreign brand name on brand evaluation? (3) does the individual difference (e.g. knowledge) matter in determining the brand origin effect on brand evaluation?

Method and Data
To answer the research questions, three experiments were performed among undergraduate students in major U.S. university. In pretest, stimuli for the brand name (mock U.S. and Mexican brand name) were selected. In experiment 1, a 2 × 2 between subject experiment was conducted in which two factors were manipulated: brand name (developed: USA vs. developing: Mexico) and brand origin (developed: USA vs. developing: Mexico). After reading the 3D camera description and scenario, participants evaluated the brand using the perceived value of the brand measures. Brand name was manipulated by two different mock brand names: very similar to U.S. brand name (USA) vs. very similar to Mexican brand name (Mexico). Brand origin was manipulated by the scenario which specifically states the brand origin of the high-tech 3D camera. The results of brand name manipulation check demonstrate that manipulation check was successful. In experiment 2, a 2 × 2 between subject experiments was performed using different country examples (Japan as a developed country and China as a developing country).

Summary of Findings
Results show that U.S. brand origin was perceived as higher value brand than Mexican brand. The interaction of the brand name and brand origin has a significant effect on perceived value of the brand. When the brand origin is USA (developed country), U.S. brand name (developed country brand name) led to more positive attitude toward the brand than Mexican brand name (developing country brand name). On the other hand, if the brand origin is Mexico (developing country), there is no significant difference between U.S. brand name and Mexican brand name. The interaction effect of brand name and knowledge is significant on attitude toward the brand. In Mexican brand name condition, higher knowledge records more positive attitude toward the brand than lower knowledge. But in U.S. name condition, there is

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no significant difference between high knowledge and low knowledge. In experiment 2, the interaction of the brand name and brand origin has a significant effect on attitude toward the brand with different country example (Japan and China) and the result is consistent with experiment 1.

**Key Contributions**

From a theoretical perspective, this research fills the gap of under-researched area in brand name literature. Because consumer’s perception toward the foreign brand is tied to the cultural stereotypes, it is essential to examine the interaction of foreign brand name and brand origin for the successful global launch of radically new product. But marketing literature have paid limited attention to the interaction of foreign brand name and brand origin in the radical innovation context. To fill this gap, this study examines the separate and joint impact of foreign brand name and brand origin on brand evaluation in innovation context. More specifically, this research introduces the two dimensions of foreign brand name (developed vs. developing) and examines the interaction with the brand origin. The managerial implications are manifold. Depending on the brand origin of innovation, the foreign brand name can be leveraged to increase the perceived value of the brand.

References are available on request.
How National Culture and Country Development Determine the Effects of Perceived Brand Globalness on Consumer Behavior

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Keywords: perceived brand globalness, cross-national research, multilevel modeling

Description: We analyze the important indirect effects of perceived brand globalness (PBG) on repurchase intention (RPI) through functional and psychological across nations and give novel insights into how these effects differ in dependence of country development and national culture.

EXTENDED ABSTRACT

Research Question

PBG, the degree to which consumers perceive multinational corporations (MNCs) as global based on their presence in multiple countries, enables MNCs to differentiate from its competitors and attract consumers (Steenkamp, Batra, and Alden 2003).

Scholars recognized the importance of globalness and studied the effects of global consumption orientation, global brand attitude, and, less often, PBG on consumer behavior (e.g., Swoboda and Hirschmann 2016). Studies show direct (e.g., Winit et al. 2014), but mostly indirect effects of PBG on purchase intention, loyalty, or willingness to pay (e.g., Halkias, Davvetas, and Diamantopoulos 2016). Scholars often show affective consumer responses like prestige and cognitive consumer responses like quality as pathways that translate PBG into consumer behavior, more seldom combined functional and psychological values (e.g., Swoboda, Pennemann, and Taube 2012). More importantly, almost all studies focus on one country or compare few countries (e.g., Özsomer 2012). In contrast, scholars call for analysis across nations.

Based on accessibility-diagnosticity theory, we aim to address this research gap and advance our knowledge by analyzing whether and how MNCs can benefit from PBG in terms of functional and psychological value across nations and in particular whether and how country development and national culture change these effects.

Method and Data

Our data derive from a cooperation with a German MNC active in the chemical and pharmaceutical industry. The surveyed 31 countries in the year 2017 were chosen based on their importance for the MNC. A marketing research agency is responsible for the data collection using a panel approach. Quota sampling relating to age and gender was applied. After elimination of Mahalanobis distance-based outliers, 22,055 respondents remained. Because the data deviated from normality, we chose the mean-adjusted maximum likelihood estimator.

For measurement of variables at the individual-level, we relied on scales from previous studies (using five-point Likert-type scales), that were intensely pretested and for which translation-back translation method was applied. We measured country-level variables by relying on updated secondary data sources. We controlled for age, gender, brand familiarity, and the number of respondents per country.

Reliability and validity yield satisfactory results. Intra-class correlation indicates that 20.5% of the variance in RPI can be
determined by country differences. Multilevel reliability based on multilevel alpha, multilevel composite reliability and maximal reliability could be confirmed (Hirschmann and Swoboda 2017). To test hypotheses, we apply a 1-2-1 multilevel mediation structural equation model with cross-level interaction effects in Mplus 8.2.

Summary of Findings

Regarding our research question, results show an indirect effect of PBG on RPI. Therefore, MNCs can benefit from PBG in terms of improved RPI by reinforcing offered functional and psychological values. These findings are in line with our theoretical reasoning of accessibility-diagnosticity theory (Feldman and Lynch 1988) and deliver important theoretical implications. These results further add to knowledge of corporate brand management across nations because internationally, corporate brands are of high strategic importance (Balmer 2012).

High intellectual and affective autonomy both have diminishing effects on the relation between PBG and offered values. Highly autonomous (vs. embedded) consumers rely less on PBG when perceiving brand’s offered functional and psychological values to make it diagnostic in terms of RPI. They do not follow the community’s preference for global over local brands because such behavior is not consistent to their beliefs.

Enhancing previous country comparisons, an increasing degree of country development weakens the effect of PBG on functional and psychological values across nations. Brands are not yet well established in emerging markets, why accessible globalness information increases in importance. Consumers in less developed countries seek for security and strive for belongingness to the global community, which global brands can deliver them (Randrianasolo 2017).

Key Contributions

First, we theoretically extent knowledge on corporate brands’ PBG effects across nations. It is important to add novel insights to the impact of PBG on RPI through functional and psychological values, as previous studies have shown the importance of such values on loyalty or retail patronage in certain countries (e.g., Swoboda and Hirschmann 2016). We apply accessibility-diagnosticity theory and extend it to the context of global brands across nations. In practice, it is highly relevant to understand the interplay between PBG and RPI in order to be able to manage corporate brand effects as well as to extend product brand offers in endorsed strategies across nations, for example.

Second, we contribute to research by accounting for country differences theoretically by analyzing the moderating effect of national culture and country development. We show that managers have to take country differences into account and consider individual consumer characteristics besides ethnocentrism as well as country development to understand potential effects of PBG across nations (e.g., Davvetas, Sichtmann, and Diamantopoulos 2015).

Third, we methodologically contribute to research by accounting for country differences through multilevel mediation structural equation modeling with cross-level interaction effects, while using continuous moderators for the first time.

References are available on request.
The Relationships Between Global Corporate and Product Brands: The Impact of National Culture and Country Development

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Keywords: corporate brand management, cross-national research, multilevel modeling

Description: This study addresses the image transfers of a standardized corporate brand used as an endorsement on product brands of a multinational corporation (MNC) and its effects on consumers product purchase intention (PPI) within the context of global brands, and in particular whether and how national culture and country development moderate these image transfers.

EXTENDED ABSTRACT

Research Question
Memory-based brand schemata (including corporate- and product-brand schemata) are considered to be most relevant in processing and evaluating marketing messages and in affecting consumer behavior (Halkias 2015). However, whether and how the image of corporate- and product-brand for the consumers purchase intentions changes across nations remains unclear.

Scholars study the importance of global brands on various levels: Corporate and product level (e.g., Brexendorf and Keller 2017; Strizhakova and Coulter 2015) as well as the relationships between corporate- and product-brands (e.g., Berens, Riel, and Bruggen 2005). However, those relationships are mostly studied in one or few countries only (e.g., developed countries, Souiden, Kassim, and Hong 2006 or emerging ones, Heinberg, Ozkaya, and Taube 2016). Only Hsieh, Pan, and Setiono (2004) observed a considerable number of countries without applying an endorsed branding strategy, while further studies call for analysis across nations (e.g., Halkias, Davvetas, and Diamantopoulos 2016).

Therefore, based on schema theory, we aim to extent our knowledge within the context of global brands by analyzing the influence of a standardized corporate-brand that applies an endorsed branding strategy on consumers’ product-brand evaluation across nations and examine whether and how national culture and the degree of country development moderate these relationships.

Method and Data
Our data originate from a cooperation with a German MNC of the pharmaceutical/chemical industry that applies an endorsed branding strategy. In 2018, 8,509 consumers were surveyed in 35 countries. Respondents were selected according to two screening criteria: a quota sampling related to gender/age and the sample was restricted to the urban population between 18 and 65/55 in developed/emerging countries and respondents with higher levels of education/profession and above-average incomes. Because the data deviated from normality, we chose the mean-adjusted maximum likelihood estimator.

For measurements, we relied on five-point Likert-type scales used in previous studies. Corporate image (Keller 1993) and product image (Salinas and Pérez 2009) was measurement with six items. Three items measured PPI (adapted from Putrevu and Lord 1994). We measure embeddedness according to Schwartz (1994), country development by the Human Development Index (Burgess and Steenkamp 2006).

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We controlled for gender, age, and brand familiarity on individual-level and for the number of respondents per country on country-level (Snijders and Bosker 2012). Because of hierarchical data structure, we tested for the requirements of multilevel modeling (Geldhof, Preacher, and Zyphur 2014). Intra-class correlation indicates that 9.8% of the differences in PPI could be attributed to country differences; multilevel-structural-equation-modeling is highly appropriate.

**Summary of Findings**

Our results indicate a positive direct and indirect effect of corporate image (via product image) on PPI across nations. In line with hypothesis, the indirect path leads more strongly to PPI than the direct path. Our results imply that a globally standardized corporate brand can be used as an endorsement to the image of global product-brands, which in turn affect the PPI of consumers.

We could also demonstrated a positive moderating effect of embeddedness on the relationships between global corporate- or product-brands and PPI. In line with previous research (e.g., Erdem, Swait, and Valenzuela 2006; Song et al. 2018) we could show that with increased degree of embeddedness individuals evaluate global brands more favorable. The use of an endorsed branding strategy facilitates this process even more. In line with their culture, embedded consumers strive for value consensus (Erdem, Swait, and Valenzuela 2006).

Results further imply that corporate- and product-brand images lead to stronger PPI with increased degree of country development. With increased country development, in product buying situations consumers are able to rely on highly embedded brand schemata, which lead to strong PPI. Accordingly, a favorable corporate image positively influences a product’s image and therefore, increases consumers’ PPI.

**Key Contributions**

Our research is important for MNCs as corporate branding and especially the endorsed branding strategy gain in importance. We theoretically extent knowledge on the image transfer of a standardized corporate- and product-brand on PPI across nations. While applying endorsed branding strategy these corporate images can be transmitted to products in order to attract consumers and help to increase sales through consumers’ PPI.

We further contribute to the research as we examine the moderating effects of national culture and degree of country development on the image transfer of corporate- on product-brands and PPI. We refer to the cultural framework of Schwartz (1994), which is theoretically grounded and superior in the consumer context (Lemmens, Croux, and Dekimpe 2007). Regarding the view of the degree of country development, we follow calls, e.g., by Gürhan-Canli, Sarial-Abi, and Hayran (2018) who call for more research on brand signal perceptions in emerging/developed markets. For MNCs the results show whether and how strong culture and country development leverage the image transfer. Managers learn how the brand management and its effects might be designed differently while relying on countries national culture and degree of development.

Methodologically we contribute to research while applying multilevel mediation structural-equation-modeling with cross-level interactions.

*References are available on request.*
Research Questions
• What are Chinese attitudes towards foreign products?
• How does globalization affect the Chinese sense of identity?
• Is global trickle down theory applicable to Chinese society?

Method and Data
The material in this article derives from the data that I collected between 2009 and 2014 in Beijing and Xuzhou. My analysis draws on qualitative interviews with 50 middle class respondents in Beijing and 30 middle class respondents in Xuzhou, to learn about their experiences and attitudes towards Western products and lifestyles, supplemented by participant observations of their purchasing behavior. Further evidence is derived from an analysis of newspaper articles and academic scholarship relevant to the study.

To recruit respondents, I firstly used personal social networks in Beijing and Xuzhou. Then, I established contacts with respondents through snowball sampling, which began with a few people and spread out to encompass a wide range of respondents. These included a variety of jobs and ages, with 38 males, slightly less than the number of female respondents. Most of the interviews were conducted at informants’ offices or cafeterias. All the interviews were conducted in Chinese and ranged from one to two hours in length. The interviews were audio recorded, transcribed, and subsequently translated into English. Besides using a prepared list of questions during the interviews, there were also some spontaneously questions following from my informants’ answers.

Summary of Findings
According to my research, China’s middle class will not acquire foreign products blindly. The upper middle class does not have a strong preference for foreign goods and high culture. In contrast, upper class people emphasize that their tastes are pretty local. Although they bought some Western luxury products, they just consider them as expensive items rather than Western objects. The same situation applies to the new rich. They care more about the status that is symbolized by the products rather than the practical and basic functional value of the goods. Traditional salaried professionals tend to desire individual freedom of choice but they have to negotiate conflicts with their idealized self and social realities.

In China, only the petite bourgeoisie have an overwhelming desire to purchase foreign products. Xiaozhi’s judgments of taste depend on emulation and imagination of the West, especially the United States. This is due to the great extent to which China has been profoundly influenced by the global economy and cultural globalization. For traditional salaried professionals, engaging with ‘global Asia’ has become just as important in defining social status as engaging with the West.

Key Contributions
This article makes a number of contributions:

1. Although research that focuses on consumers’ responses to globalization and status consumption in less affluent countries is emerging (Ger and Belk 1996; Ustuner and Holt 2010), there is little work examining Chinese consumers’ attitudes towards Western products and lifestyles.
2. There are many studies examining whether developing countries are totally westernized, but most of them focus on the production side (Ger and Belk 1996). However, this article examines the convergence model from the consumption side.
3. This research examines to what extent that the global trickle down theory applies to China.

References are available on request.
Research Question
With many cultural groups immigrating and transferring their entire lives into the U.S., there is often a degree of adaptation to the new cultural environment. Cultures are constantly interacting and when someone moves to a new cultural environment, it is likely that someone may adopt behaviors and values of the host social cultural group. This is called acculturation and individuals will vary on how much they acculturate.

Assimilation is a process, with a desire to adapt being a precursor for acculturation (Bun and Kiong 1992). Someone may not currently be at their desired level of acculturation, but they may have a strong desire to acculturate or assimilate. If marketers understand a consumer’s desire to acculturate, then they can serve them based on how they wish to be served, not on their current level of acculturation or even on how they look (ethnicity). While there are many scales to measure immigrants’ acculturation, none of the existing tools conceptualize assimilation as a process; specifically, they do not measure an individual’s desire or propensity to assimilate to the host environment. This research addresses this gap in the conceptualization and measurement of assimilation.

Method and Data
This study follows the Churchill (1979) and DeVellis (2016) scale development process for scale adaptation. We also follow Diamantopoulos and Winklhofer’s (2001) index-development protocols. This process entails content specification or defining the domain, creating a census of indicators for formative specification, monitor indicator collinearity (no inter-item correlations), and relate the index to other variables for external validity. We first established the domain of acculturation and assimilation.

In order to create a sample of items for the scale adaptation and create a census of indicators for the formative specification, the study conducts an in-depth literature review and two qualitative studies on Chinese immigrants and first and second-generation Chinese Americans with one 11-person Focus Group and 46 in-depth interviews between May and July 2018. For the acculturation behaviors, the Suinn-Lew Asian Self-Identity Acculturation Scale (Suinn et al. 1992), Marin and Marin Acculturation Scale (Marin et al. 1987), the Stephenson Multigroup Acculturation Scale (Stephenson 2000), and the Shortened Lifestyle Inventory Scale (Lerman et al. 2009) are adapted. These scales were chosen because the first two focused on Asian cultures, the Stephenson...
measure was multicultural, and the Shortened Lifestyle Inventory Scale was the most recently created measure.

Summary of Findings
We have developed an index to measure a consumer’s propensity to assimilate and adapted scales to measure a consumer’s current level or category of acculturation. Once the index and scale are validated, they will be tested together in a nomological net.

Key Contributions
The findings from the structural equation modeling in the nomological net can have strategic implications for service firms and marketers. These measures can be used to segment multicultural consumers, specifically Chinese American consumers, and better serve them based on their desired level or propensity to assimilate (the index). Marketers could also segment consumers based on their current level of acculturation (the scale) if the product or service is better suited to serving the consumer as they currently are now, as opposed to how they want to be seen or their ideal level of acculturation.

References are available on request.
The Relational Consumer: Prosocial Spending and Gift Giving Behaviors

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Keywords: relational consumption, gift giving, prosocial spending, spending on the self, social comparison, ideological consumption, consumer culture, symbolic gifting, self-gifting

EXTENDED ABSTRACT

Gift giving and prosocial spending has drawn a significant amount of attention within consumer research (Belk, 1996; Curasi, 1999; Steffel and LeBouef, 2011) and social psychology (Dunn, Aknin, and Norton, 2008; Dunn, Aknin, and Norton, 2014; Geenen, Hohelüchter, Langhoff and Walther, 2014). In fact, it has been well documented that the notion of gifting and prosocial spending is highly symbolic, personal and emotional (Curasi, 1999). However, there is still a significant dearth of research within the field and numerous questions still remain unanswered. For example, why would individuals be drawn to prosocial spending vs. proself? How does culture and identity implicate relational consumption? How would a person’s narcissistic traits, affect their spending, when gift giving? Therefore, the aim of this session is to provide an in-depth understanding as to why consumers might choose to spend money on others, how social spending acts might serve to define relationships, cultures and generational changes, and how relational-oriented acts of kindness might be perceived by receivers within the context of the U.K. This is particularly significant and an important contribution on two levels, as many of the prior studies with reference to gift giving and spending have taken place within the context of the USA. This special session is also important as we wish to encourage further discussions with regards to practices of relational consumption within various contexts and communities. This special session will therefore generate further conversations and research within this field in relation to consumer research.

References are available on request.

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Analysis of Types of Shock Appeals and Their Impact on Two Diverse Cultures

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Keywords: shock advertising, culture, customer, attitude, moral offense, obscenity

EXTENDED ABSTRACT

Research Question
Using subjects from India and the United States, this study seeks to better understand the relationship between national culture and shock advertising effectiveness using four types of shock appeals: obscenity, impropriety, moral offense, and sexual content. The effects of national culture on shock appeals and shock appeal effectiveness is investigated. Then, culture is evaluated as a moderating variable in a path model to better understand the effectiveness of shock appeals. This study is unique because it goes beyond post-hoc explanations common to many studies linking differences in advertising effectiveness to cultural variability. The primary contribution of this study is a research design using culture to demonstrate how culture can moderate the relation of various types of shock appeals and advertising effectiveness and its perception. This study also contributes to better understanding the moderating effects of culture on different types of shock appeals. The expected findings have implications for advertising managerial practices and public policy for the regulation of advertising.

Summary of Findings
Marketers are constantly considering different ways to reach consumers through effective advertising messages, causing some marketers to misstep and offend some people. A new culture of sensitivity is emerging with regards to race, religion, gender, and sexuality. With an increased risk of potentially offensive advertising and advertising images in the marketplace through global promotional campaigns, some important ethical decisions must be made. International marketers should, therefore, deepen their awareness and understanding of possibly offensive advertising. It is advisable to devote considerable time and resources to understanding cultural, and particularly religious beliefs, upon entering a new market where advertising images can cause offense to people. Opportunities to diffuse possible areas of offense by varying potentially controversial images in the mass media or more effectively targeting the media strategy are suggested. This is an important area for further research as international marketers expand the global marketplace and are faced with new ethical issues and responsibilities.

Key Contributions
This study also demonstrates that advertisers in both the U.S. and India have to be careful when using potentially offensive advertisements. Results indicate that the more negative the ads are perceived, the higher the likelihood of consumers rejecting the products and the brands. This is expected to be true for Indian respondents, which showed a significantly higher tendency to reject the products and the brands. The more shocking the ad was considered, the higher the likelihood of rejecting the advertisements and the brands. The “type of shock appeal” factor is an important factor to explain and predict the rejection of products and brands.

Understanding the effects of shock appeals is valuable to advertisers because it helps determine best practices for advertisers to reach their target audiences while reducing the risk of offending consumers. All of this information can help marketers create company policy on advertising strategy. In doing so, selecting more “appealing” executions for various tactics such as voiceover gender decisions, central character
castings, and the interplay and role of character representations would increase the positive attitudes toward communication messages. There is a greater need to have an enhanced understanding of the advertising practices on gender role execution in children’s advertising, not only in the United States, but also globally. Many companies today operate in global markets.

For international marketers, they are reminded that care should be taken when deciding the type of shock appeal they are planning to execute when undertaking a controversial campaign. This is particularly important for global campaigns and when the campaign is entering new markets with strong cultural sensitivities.

Some of these findings show that although cultures can be categorized similarly according to one dimension (such as masculine orientations dominating societies in the United States and India), marketers should not assume that using the same advertising practices will result in similar outcomes. Conventional wisdom would argue the use of similar advertising executions based on the similar categorization of cultures. Accordingly, advertisers should consider the extent of “acceptable” portrayal for different gender roles to increase the effectiveness of their advertising messages in each country.

The study further provides useful advice for marketers and advertisers to understand the boundaries for these particular types of controversial advertising in the two countries. The results may suggest obscene content to be least offensive in both countries, thus suggesting global marketers and advertisers use obscene content if they plan to execute a global campaign.

This study contributes to the understanding of persuasion as it explores attitudes and emotional reactions to shock marketing communications. Advertising often attempts to challenge attitudes; therefore, it is useful to identify the extent to which drastic images are effective in influencing attitudes and persuading audiences. This study also shows that shocking advertising is effective at attracting attention; however, its persuasion effectiveness is dependent on the type of shock appeal as well as the cultural characteristics of the consumer. Thus, if executed correctly, shock advertising can successfully challenge consumer attitudes.

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Culture’s Influence in Social Media Enabled Global Virtual Teams

Anshu Arora, Amit Arora, Vas Taras

An Examination of the Impact of Consumers’ Social Media Connectedness to Celebrity Endorsers on Purchase Intentions for Endorsed Products

Gina A. Tran, Atefeh Yazdanparast, David Strutton
Examining the Effects Social Media Marketing Efforts on Value Cocreation and Engagement: Evidence in Brazil and China

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Keywords: social media, consumer-brand engagement, involvement, cocreation

Description: This study proposed and empirically validated a conceptual model of cocreation and consumer-brand engagement, examining the role of social media marketing efforts in building enduring involvement, cocreation, consumer-brand engagement, and repurchase intention.

EXTENDED ABSTRACT

Research Question
Cocreation and consumer-brand engagement (CBE) are two buzzwords amongst marketers and academicians. However, limited evidence is available on how social media marketing (SMM) efforts influence enduring involvement (EI), cocreation, consumer-brand engagement (CBE) and repurchase intention. Seeking to address this theoretical deficiency, we proposed and empirically tested a conceptual model, examining the role of social media marketing efforts in strengthening EI, which in turn drives cocreation, CBE and repurchase intention in Brazil and China.

Method and Data
The theoretical framework is tested by using data from 614 users of a durable technology product, a smartphone, in Brazil and China, collected using a self-administered online survey. Partial least squares—structural equation modeling (PLS-SEM) was used to analyze the data. Additionally, we also used Partial least squares—multiple group analysis (PLS-MGA) to explore differences in the two countries: Brazil and China.

Summary of Findings
The results show that social media marketing and enduring involvement are key drivers in influencing cocreation and consumer-brand engagement, which in turn enhances repurchase intention. Additionally, this study also demonstrates the importance of cultural differences by presenting the differences in path coefficients amongst constructs in Brazil and China. In particular, there are significant differences in the impact of social media marketing on involvement and cocreation amongst Brazil and China. Importantly, cocreation is useful in building repurchase intention in Brazil but not in China.

Key Contributions
This study contributes to the academy by empirically testing a theoretical model related to the effects of social media marketing on enduring involvement, cocreation, and consumer-brand engagement, along with repurchase intention as behavioral outcomes in Brazil and China. Secondly, presented a holistic model that describes the process of strengthening repurchase intention by demonstrating the effects of social media marketing as stimulus, enduring involvement, cocreation and consumer-brand engagement as organism, along with repurchase intention as response. Lastly, this study examined the moderating effects of culture in the antecedents and consequences of consumer-brand engagement by comparing the differences in path coefficients amongst constructs in Brazil and China, which is
mostly omitted in previous studies. This study also provides significant practical implications for marketers. First, the results demonstrate the importance of social media marketing in brand building process, suggesting marketers to develop more interesting and useful contents in their social media platforms. Second, marketers should seek to heighten consumers’ enduring involvement by updating their product information on social media platforms, which is useful in boosting consumers’ intention to cocreate brand value, engaging with brands and ultimately strengthening repurchase intention. Lastly, cocreation is useful in building consumer-brand engagement as well as repurchase intention, suggesting marketers to induce consumers to be involved in cocreation activities.

References are available on request.
The Synergistic Impact of Seeking Face-to-Face Interaction on Consumption Community Behaviors

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EXTENDED ABSTRACT

Research Question
Prior research has found that consumption communities provide value for firms in a variety of ways. Within online communities, prior research has found that key drivers of value creation for firms include the number of posts members make, the length of membership in the community, and the breadth of participation across different forums within the online community (e.g., Thompson and Sinha 2008). However, researchers have found that community members can also engage in face-to-face interactions and that these interactions create value similar to that seen from online interactions (e.g., McAlexander and Schouten 1998; McAlexander et al. 2002). Of course, participation in an online community versus face-to-face is not a zero sum game. It is possible for online community members to subsequently seek out face-to-face interactions with other community members. However, studies in the existing literature have primarily focused on either online or face-to-face community interaction. This research seeks to contribute to the existing literature by addressing this gap. Specifically, we examine how seeking face-to-face interaction influences participation, membership duration, and the breadth of participation.

Method and Data
To test our hypotheses, we collected data from the Mr. Money Mustache (MMM) online community, which focuses on consumption in general with an emphasis on shaping consumption to achieve financial independence and has over 1.6 million posts across 20 subforums. As such, it contains rich data on a wide range of participation behavior for a large number of members and has a “Meetups & Social Events” forum dedicated to seeking face-to-face interaction. This offers the ideal means for identifying members who seek face-to-face interaction. Data collection involved downloading and analyzing forum information on 22,893 user accounts from February 13, 2012 to April 3, 2018. Participation was measured by the number of messages posted by each member. Membership duration was calculated based on the time that had elapsed between a member’s first and last posts. Participation breadth was measured by counting the number of different forums each member participated in.

Of the 22,893 members, 2,102 sought face-to-face contact within the first month of joining and were coded as “Joiners.” 19,227 never sought face-to-face contact and were coded as “Nevers,” and 1,564 members sought face-to-face contact after at least one month of membership in the MMM community “Delayers.”

Summary of Findings
A Kruskal-Wallis test revealed that postcount, duration, and forumcount significantly differed by group, $X^2(2) = 2063.33, p < 0.001$; $X^2 (2) = 2548.52, p < 0.001$; and $X^2 (2) = 2926.64, p < 0.001$, respectively. Follow-up paired comparisons using Mann-Whitney-U tests with Holm-Bonferroni stepdown procedures revealed that each of the comparisons among Joiners, Delayers, and Nevers differed, with each contrast significant at the $p < 0.001$ level.

An examination of the means reveals that Joiners have higher levels of participation than Nevers ($\text{mean}_\text{Joiners} = 94.02$, $\text{mean}_\text{Nevers} = 37.12$), longer membership duration ($\text{mean}_\text{Joiners} = 11.90$, $\text{mean}_\text{Nevers} = 8.83$), and higher breadth of participation in the form of forum counts ($\text{mean}_\text{Joiners} = 4.58$, $\text{mean}_\text{Nevers} = 3.00$). As a result, H1 and H2 are not supported while H3 and H4 are supported.
Both perspectives would indicate that Delayers should fall between Joiners and Nevers. In contrast, H5 predicted that Delayers would be higher on all three behaviors than either Joiners or Nevers. Delayers demonstrated higher participation (mean Delayers = 321.23, mean Joiners = 94.02, mean Nevers = 37.12), longer duration membership (mean Delayers = 31.49, mean Joiners = 11.90, mean Nevers = 8.83), and greater breadth of participation (mean Delayers = 9.80, mean Joiners = 4.58, mean Nevers = 3.00) than either Joiners or Delayers. Furthermore, an examination of the differences between Delayers and Joiners versus the differences between Nevers and Joins reveals that Joiners and Nevers are more similar to one another in their behavior than they are to Delayers.

**Key Contributions**

We found that Joiners are less active in the community than Delayers. Surprising is that Joiners’ behaviors are fairly similar to the Nevers. Delayers demonstrate a larger number of posts, larger breadth, and a longer membership. This indicates that the Delayers are the most active and loyal members of the MMM community.

One explanation for the finding for Nevers being less active in the community may lay in the interpersonal relationship literature, indicating that online only relationships are weaker (Mesch and Talmud 2006). This accounts for the lower participation levels and membership duration of Nevers (8.83 months) compared not just to Delayers (31.49 months) but also to Joiners (11.90 months).

Online community research suggests that firms should create and engage with online communities, while studies of face-to-face communities recommend hosting and engaging with face-to-face communities. Our findings suggest that managers should use online communities to initiate relationships between members and invest in face-to-face events after member relationships are established. Second, managers should not use initial interest in face-to-face events among online community members as a guide for whether to hold such events. Finally, it is important for managers to understand who is interested in, and how to leverage, these events.

*References are available on request.*
The Transaction Costs of Crowdsourcing

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EXTENDED ABSTRACT

Research Question
Transaction cost theory (TCT) has long been the dominant perspective for understanding the governance of economic transactions. This theory proposes that opportunism causes transaction costs of a market exchange to increase as investment specificity increases, resulting in a safeguarding problem that can be solved by various governance mechanisms. Despite its success, TCT has predominantly focused upon dyadic contractual relations between firms that entail large investments. Moreover, this theory was developed in 1937 to describe an industrial economy. We seek to update TCT to better apply it to the digital economy in which transactions are shifting from a small number of firms to a large collection of individuals i.e., via crowdsourcing. Technology enables crowdsourcing platforms to aggregate offerings across many contributors; thus, reducing each contributions’ investment size. The modular nature of crowdsourcing enables contributors to share offerings with low granularity (i.e., the amount of time, effort and money needed to create a contribution) (Benkler, 2006). Our research enriches and extends Benkler’s seminal concept of granularity and develops the notion of investment granularity. We hypothesize that, in crowdsourced transactions, investment granularity (H1) is positively related to safeguarding, (H2) is distinct from investment specificity, and (H3) is weakly related to opportunism compared to investment specificity.

Method and Data
We test these three hypotheses via a mixed-method approach across 3 studies. Study 1 examines H3 using archival data on 227 designs from Thingiverse, a 3D design crowdsourced platform. Because designs that contain more files requires a greater investment in time and energy to create, the Number of Files serves as indicant of granularity. License Type (0 = commercial use allowed; CA, 1 = noncommercial use only, NCO) serves as indicant of safeguarding. Study 2 examines all three hypotheses through an experiment employing a 2 x 2 between-subjects design that randomly assigned participants to a crowdsourcing scenario with small and large granular, and low and high specific investments. The participants were 412 Mturk members living in the US. Study 3 replicates findings from study 2 and explores potential mediators of granularity-safeguarding relationship. We conducted a survey employing a scenario in which participants contributed to a crowdsourced collection of short stories and rated the investment granularity and specificity of their stories. In study 2 and 3 participants were asked for (1) their belief that American Motors/publisher would act opportunistically and (2) the degree to which they would seek to safeguard their investments using multiple items via a 7-point Likert scale.

Key Contributions
Our findings reveal that transaction costs of crowdsourcing are influenced by not only investment specificity but also investment granularity. Moreover, while investment granularity is not related to concern for opportunism, it has a stronger effect on safeguarding than investment specificity. We believe that our conceptualization and measurement of investment granularity enriches TCT by enhancing its applicability to the digital economy in general and crowdsourcing in particular. Our research also conceptually and empirically distinguishes the granularity of an investment from its specificity. Hence, we offer a contribution by measuring and testing Benkler’s (2006) concept of granularity in a TCT context. Moreover, our research contributes to the crow sourcing literature by examining the transaction costs of crowdsourcing. Specifically, our research focuses on identifying the conditions under which crowdsourcing participants feel the need to protect their contributions. Finally, our research has important implications for firms engaging in crowdsourced transactions by offering new insights into how these types of transactions should be governed. In contrast to TCT’s argument that the safeguarding problem originates from fear of opportunism, our research suggests that the key governance problem facing crowdsourced transactions is the risk of appropriation, which arises from high granular investments.

References are available on request.
Are Social Influence and Customer-Initiated Contacts Valuable for Firms? Measuring Their Impact on Customer Profitability

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Keywords: social influence, customer-initiated contacts, customer profitability, interactions

Description: Grounded on Social Capital Theory, we aim to provide a better understanding of the powerful role of customers in terms of social influence (i.e. exposure, valence, breadth) and customer-initiated contacts and their impacts on nontransactional behaviors (i.e. cocreation and word-of-mouth) and, finally, their joint influence on customer profitability.

EXTENDED ABSTRACT

Empowered by technological advances, customers nowadays are adopting a predominant role. Customers can easily interact with others which can exert influence over countless former, current or potential customers and initiate contacts with firms anytime and anywhere. This new phenomenon, partially explained by the force of s-commerce, can trigger valuable outcomes for firms that should be quantified. Grounded on social capital theory, we aim to provide a better understanding of the powerful role of customers in terms of social influence (i.e. exposure, valence, breadth) and customer-initiated contacts and their impacts on nontransactional behaviors (i.e. cocreation and word-of-mouth) and, finally, their joint influence on customer profitability. Using a combination of perceptual and transactional data for a sample of 1,990 customers, the results reveal that both social influence and customer-initiated contacts are key determinants of nontransactional behaviors. Additionally, word-of-mouth behaviors contribute to the generation of a positive financial performance.

Method and Data
To test the proposed conceptual framework, we obtained monthly customer information for a window of 15 months from a major bank in a European country. Despite the objective information, using scales consolidated in the literature, a survey was carried out during the twelfth among the customers in the database in order to collect subjective information about customers’ perceptions by using a 7-points Likert scale (1: strongly disagree; 7 strongly disagree). We applied the seemingly unrelated model, which allows us to estimate a set of equations for the modeling the established relationships in our proposed research model.

Summary of Findings
With regard to the antecedents of nontransactional behaviors, as we expected, the three dimensions of social influence all affect strongly the cocreation considering that all the parameters are significant and pointed in the expected direction, thus supporting H1a-H1c. The similar patterns are captured for the relationship between social influence and word-of-mouth, in support of H2a-H2c. With regard to the impact of customer-initiated contacts on nontransactional behaviors, we only find significant and positive effect on cocreation, confirming Hypothesis 3. When it comes to control

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variables, duration is the only one which exert significant and negative influence on nontransactional behaviors. Regarding the established links among social influence, customer-initiated contacts, nontransactional behaviors with customer profitability, we also find some significant results.

**Key Contributions**
This research is the first attempt, to our knowledge, that simultaneously analyze how the influence of others and the own customer proactivity can lead to the development of nontransactional behaviors and how, all these factors, finally could impact customer profitability. The influence exerted by others, or social influence, operationalize through three central dimensions (exposure, valence and breadth) has been confirmed to positively influence both cocreation and word-of-mouth behaviors. To this respect, the number of individuals in a customer’s personal social network that can potentially influence the customer (Nitzan and Libai, 2011), whether the content of the messages is predominantly positive or negative (De Vries et al., 2012) and, the number or diversity of topics and perspectives discussed with other individuals around the customer experience with a certain company (Godes and Mayzlin, 2004; Weinberg and Pehlivan, 2011), definitely promote nontransactional behaviors. However, just exposure (the volume of individuals that may influence the customer) has a positive direct influence on customer profitability. Hence, this research offers novel insights into the implications of the social environment and demonstrate how it can generate profits for firms.

This research has only confirmed that customer-initiated contacts positively affect customer cocreation. However, these customers do not significantly lead to word-of-mouth behaviors (maybe due to they only aim to interact with the company) or an immediate increase of customer profitability.

*References are available on request.*
Negative Effects of Incentivized Social Campaigns on the New Customers Value: Combining Field Experiments and Machine Learning

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Keywords: social campaigns, customer referral programs, customer acquisition, customer value, word of mouth, social influence

Description: This paper examines the effect of monetary and empathetic/apathetic gift incentives in social campaigns on the value of acquired new customers, i.e. their churn and purchase.

EXTENDED ABSTRACT

Research Question
Social campaigns are crucially important for acquiring new customers. As one critical form of such campaigns, firms deliberately invite existing customers to refer the brand and products to their socially connected friends. To stimulate and facilitate the acquisition process, it is extremely prevalent that firms provide monetary or gift incentives to both existing and new customers. Monetary incentives are dominantly adopted due to its flexibility, feasibility and convenience. For example, Tesla launches a WOM referral program rewarding both existing and new customers $2,000 discount off to juice sales. Echoing this, Discover rolls out “refer-a-friend” programs rewarding both sides with a $50 statement balance conditional on a successful referral. Alternatively, gift incentives are also used in such campaigns, which promotes the closeness of the triadic relationship between new, existing customer and the platform. To name a few, Uber rewards existing and new customers with free ride gifts and Dropbox provides 500MB-16GB free storage space gift to both sides. However, managers do not know whether incentives in social campaigns are indeed effective, nor do they know the relative effectiveness of monetary incentives versus gift incentives. Moreover, what’s the underlying mechanism? And how can they optimize the social campaigns?

Method and Data
We empirically explore these questions in collaboration with a major digital reading platform to conduct two randomized field experiments. The field experiments run WOM referral campaigns, which involve over 104,000 existing customers: one incentivized social campaign treatment group with the opportunity to engage referrals for new customer acquisitions and a control group without such opportunity. The firm first issued incentivized social campaigns through the reading app’s push notifications. Existing customers interested in such campaigns can choose one out of three alternative incentives they would like to receive conditional on a successful referral: a voucher (monetary incentive), a free digital book (gift incentive), or no incentive (control group). The app will generate a WOM referral offer with a unique QR code, by which existing customers can share to their friend list and attract them to join in the reading platform. In the second experiment, we randomly assign the three incentive conditions to existing customers. The social campaigns run over 90 days, and we observe new customers’ survival days,
purchase amount and other reading behavior (number of downloads, read time) on the platform. By the end of campaigns, we acquire a total of 18,397 new customers. We also randomly draw nonreferred new customers acquired without such campaigns as comparison group.

**Summary of Findings**

Our data suggest that though effective for existing customers and bringing in new customers, incentivized social campaigns attract low-quality new customers who tend to churn more and purchase less, compared to nonreferred new customers acquired without social campaigns. Furthermore, we look at the relative effects of monetary and gift incentives on new customers value. Analyses show that monetary incentives acquire new customers with lower quality than no incentive and nonreferred new customers. Book gift incentives also bring in lower quality new customers, though better than monetary incentives.

We then empirically split the gift incentives into empathetic gifts matching with new customers interest and apathetic gifts not matching, based on whether new customers search and read the book initially displayed on the referral offer. The results are encouraging. Empathetic gifts significantly reverse the negative effects of incentives and acquire high-quality new customers, as good as nonreferred new customers, and much higher than no incentive group, with 78% smaller churn hazard and 50% higher purchase.

Exploring the underlying mechanisms, we find that monetary incentives, capturing extrinsic motivations, significantly reduce consumer engagement and lead to the low quality of new customers. However, empathetic gifts capture intrinsic motivation, increase engagement, and lead to high quality.

Finally, a machine learning algorithm—causal random forest develops an optimized social campaign. Specifically, though monetary incentives bring in low-quality new customers overall, targeting existing customers highly engaged on the platform with large number of downloads and time consumption can bring in high-quality new customers.

**Key Contributions**

First, we contribute to the broad stream of literature on customer acquisition and WOM. We identify the dark side of incentivized social campaigns on new customers value. Previous marketing literature has demonstrated the effectiveness of social campaigns on new customer quality. Bolstered by these findings, incentives are assumed to surely stimulate high-quality new customer acquisitions. However, there are also critics countering that acquisition incentives could decrease customers’ long-term value and are considerably less effective in new customer acquisitions. We thus try to fill this gap and offer relevant empirical evidence on the balanced view of social campaigns.

Second, we provide important insights into the effectiveness of monetary and gift incentives on new customers in social campaigns. Previous literature studied the scenarios where incentives are provided for existing customers, whereas the impact of different incentives on new customers has hitherto received scant attention. Given the prevalent adoption of monetary incentives, the findings suggest that firms should be careful about monetary incentives which bring in low-quality customers though sacrificing large budget cost. Instead, gift incentives can significantly improve new customers quality, but only when they match with new customers preference and interest as “empathetic gifts.”

Finally, we design an optimized incentivized social campaign exercise empowered by a machine learning algorithm. We contribute to the literature on customer individual differences and optimal targeting based on customer heterogeneity. Given the flexibility, feasibility and convenience of monetary incentives, the findings thus offer managers a guidance on how to use monetary incentives more effectively and efficiently.

*References are available on request.*
The Making of Clicks-to-Buy at E-Commerce Platforms, Customer Frustration, and Customer Browsing Time

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Keywords: e-commerce platform, online content, marketing capability, brand reputation

Description: This paper looks at various factors that affect consumer click and purchase likelihood, consumer browsing time and consumer frustration.

EXTENDED ABSTRACT

Research Question
The core of our analysis is to examine how different factors, i.e., online content, seller marketing actions, consumer and seller characteristics, and brand reputation affect customer behavior such as buy or not to buy, consumer frustration and consumer browsing time on the e-commerce platform.

Method and Data
Two years of consumer purchase, online content data involving 714,860 observations.

Summary of Findings
The authors demonstrate that online content has linear and curvilinear effect on consumer behavior variables. Moreover, the results suggest increasing return of marketing capability since marketing capability makes consumers more likely to buy, spend less time browsing and less frustrated as marketing capability increases. In addition, the results paint a more balanced view of brand reputation in online digital environment influencing consumer decision-making. Finally, the authors demonstrate brand reputation interacts with marketing-mix variables such as price and consumer characteristic variables such as customer tenure to influence consumer behavior.

Key Contributions
First, we build a comprehensive conceptual framework that models real world e-commerce platforms. Our model includes sellers, buyers, providers, brands and products, and online content from a variety of sources.

Second, we find that online content such as firm generated content (FGC) and user generated content (UGC) have differing effects on different consumer behavior outcomes.

Third, we demonstrate the importance of online brand reputation on behavior outcome variables. In marketing, there is a school of thought suggesting that in online settings, the value of brands might diminish. Our research suggests that a balanced view of brand reputation in online environment.

Fourth, we show the importance of marketing capability in online marketing environment. Extant research suggests a linear effect of marketing capability on performance outcome variables. Our results suggest that in online environment, marketing capability has increasing returns.

Fifth, we demonstrate how the interaction of brand reputation, marketing mix, and customer variables interact to influence customer behavior outcomes.

References are available on request.

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Can Consumers Resist Smart Services While Perceiving Their Value?

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Keywords: Internet of Things, resistance, innovation, smart services, value, human interaction, convenience, usefulness, sacrifices benefits

EXTENDED ABSTRACT

Research Question
Can consumers resist smart services while perceiving their value?

Method and Data
A total of 750 panel members of a French research company were asked to fill out an online questionnaire regarding smart services in the banking sector. Indeed, smart banking service is an area with a high potential for development (Deloitte, 2015). Moreover, consumers are more and more familiar with use of technology in this sector (Internet banking, mobile banking...). Ninety-seven participants were eliminated because they did not complete the questionnaire.

Before responding to the questions, the participants were shown a video presenting real examples of smart services (the video was developed by a consulting firm in new technologies): payment by means of a smart bracelet that recognizes customer individual heart rhythm, receiving automatic alerts on his smartwatch of any unusual expenditure compared to the customer’s normal outgoings… The aim was to ensure that respondents to the survey clearly understood what a smart banking service may involve. We introduced filter questions to check the correct functioning of sound and image on the equipment used by the respondents. After watching the video, participants were asked to answer several sets of questions on three themes: their perception of the smart bank service, their perception of IoT devices in general, and their personality characteristics. The final sample is composed of 54% of women. The average age is 42 years. Participants have a variety of professions (business owners, farmers, students, retired…) and were located in different regions in France.

Key Contributions
From a theoretical point of view, our research has two main contributions. First, our research is, to our best knowledge, the first to mobilize dual-factor concepts (Cenfetelli 2004) in the analysis of how perceived benefits and sacrifices can simultaneously impact consumer resistance and perceived value. This analysis is in line with research findings in psychology (Armitage and Conner 2000; Connor and Sparks 2002) and in consumer behavior (Mick and Fournier 1998; Johnson et al. 2008; Kim and Son 2009) on ambivalence in the behaviors and attitudes of individuals. In line with this paradigm, our research confirms empirically that the consumer who faces a new service can both perceive value and express resistance. In addition, perceived value is not the opposite of resistance, in other words both can coexist in the mind of the consumer. This contribution to the research in this area focuses on consumers’ reactions to a new product or service. In other words, we postulate that, contrary to classical models of adoption (e.g. TAM [Davis 1989]) or resistance (e.g. Ram and Sheth’s Model, 1989), understanding consumers’ reactions to innovation cannot be confined to a unique perspective (factors of adoption of a new service or drivers of resistance); rather it must be studied from a dual perspective (a tradeoff between positive and negative factors). Thus, our results provide a theoretical perspective allowing a better understanding of the complexity of the consumer decision-making process. When facing a new product or service, consumers make a cognitive arbitration between benefits and sacrifices, which forces him/her to express simultaneously positive (perceive value) and negative (resist) reactions. As a result, the consumer may give an ambivalent cognitive response such as “I feel that this new service has a high perceived value but not to the point of accepting it” or “I do not want this service because its per-
ceived value does not allow me to balance the sacrifices I have to make.

Second, our research makes a contribution to the research on resistance to innovation. Ours is the first study to postulate that resistance factors can be explained both by factors aggravating resistance and others mitigating it. Unlike existing models of resistance to innovation based on the effects of various barriers on resistance (i.e. negative factors), our model emphasizes that resistance is a much more complex reaction, and that positive factors may also be involved. This result reinforces the emerging research on innovation from the perspective of resistance (Hazée et al. 2017; Joachim et al. 2018).

**Summary of Findings**

Our findings show that perceived sacrifices (perceived price and lack of human interaction) have a positive impact on consumer resistance; at the same time, perceived benefits (perceived convenience and perceived usefulness) and perceived value have a negative impact on consumer resistance to smart services. Moreover, perceived benefits and perceived price predict perceived value, which in turn has an impact on the intention to use smart services.

*References are available on request.*
Quantifying the Effects of Platform Coupons in Sharing Economy

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Keywords: sharing economy, price promotion, platform coupon, innovation

Description: The paper studies the effect of platform coupons on buyer and seller behavior.

EXTENDED ABSTRACT

Despite the growing literature on sharing economy, little attention has been paid to firms’ marketing decisions in this new business setting. This paper contributes to the gap by studying the effectiveness of coupons offered by platforms in the sharing economy. Using a proprietary dataset from a food sharing platform in Asia, we examine the influence of platform coupons on users from both sides of the market. We find that platform coupons work as a double-edged sword for the business: while they help increase customers’ spending per order by promoting mobility (i.e. encouraging customers to try unfamiliar and risky sellers/dishes), they also attract more price sensitive customers to the platform. In fact, the latter force dominates the former one such that sellers respond by charging lower prices for dishes and engaging in fewer dish innovations, which may have a negative impact on the platform in the long run.

Research Question
How do platform coupon affect the behavior of both buyers and sellers?

Method and Data
We employ a proprietary dataset on a food sharing platform in Asia and use reduced-form analysis to investigate not only the first order effects of the coupons on spending (customer) and revenue (seller), but also the underlying behavior of the users that drive these effects.

Summary of Findings
1. Redeemed coupon value increases consumer spending per order.
2. A larger redeemed coupon value may encourage consumers to be more risk taking in choosing sellers and dishes.
3. Coupon value has a net positive effect on seller revenue (with a negative effect on spending per order and a positive effect on number of orders.
4. Total value of platform coupons redeemed negatively affects seller price and innovation

Key Contributions
To our knowledge, this is the first paper that studies how platform coupons affect customers’ choices across products and sellers. It allows us to examine the effect of coupon on customers’ decisions regarding not only whether to purchase, but also what to buy and who to buy from, aspects that are understudied in the existing literature. Besides, we also study the indirect impact of platform coupons on sellers’ product decisions, which has not been studied before.

References are available on request.
Regulating Institutionalized Player in Peer-to-Peer Markets: Evidence from Airbnb

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Zaiyan Wei, Purdue University
Karen Xie, University of Denver

Keywords: Peer-to-peer markets, Platform economy, Market structure, Heterogeneous treatment effects

Description: This study investigates the impacts of emerging institutionalized players in platforms-based peer-to-peer markets and whether platforms should regulate their participation.

EXTENDED ABSTRACT

Research Question
Peer-to-peer (P2P) platforms such as Airbnb, Lending Club, and Uber were dominated by individual small suppliers in the early years. But this picture has changed drastically over the last few years, with a new class of “institutionalized players” (e.g., large companies and powerful individuals) rising to eradicate the peer-to-peer nature. The very institutions that P2P platforms aimed to disrupt seem now their dominating figures. What are the impacts of institutionalized players in P2P markets? Should P2P platforms regulate the participation of institutionalized players? These are largely unanswered questions in the literature, yet centric to the value proposition and viability of P2P platforms. In this study, we answer these questions empirically.

Method and Data
We utilize an experimental opportunity with Airbnb. We deploy a plethora of estimations involving difference-in-differences and synthetic controls to identify the impacts of institutionalized hosts on market structure, competitive environment, equilibrium outcomes (price and transaction volume), and service quality in local markets. Furthermore, we use heterogenous treatment effects (HTE) to estimate how these impacts vary in markets with different levels of penetrations by institutionalized players.

Summary of Findings
We find the rise of institutionalized hosts intensifies market concentration. Despite the revenue increase for average hosts, consumers face increased price and decreased service quality. Additionally, regulating institutionalized hosts drives supply, host revenue, as well as service quality in high-penetration markets but hit the price and host revenue in low-penetration markets.

Key Contributions
Our research makes the first attempt to explore the role of institutionalized players in P2P platforms and their impacts across various market conditions. The results provide insights on whether Airbnb should enforce regulations to restrict institutionalized hosts and where.

As peer-to-peer economy proliferates, it stands to reason that platforms need to be responsive to changes—starting from understanding the internal environment in which institutionalized players rise to challenge the P2P business model. Our research is geared precisely towards this perspective and is managerially relevant to platforms that are interested in aligning business models to new environments for viability. Theoretically, our research adds to the literature on the peer-to-peer economy, multisided markets, and platform-based markets.

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The Battle for Homes: Is Home Sharing Disrupting Rental or Housing Markets?

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Karen Xie, University of Denver

Keywords: home sharing, housing markets, Airbnb, affordable housing, synthetic control

Description: We study the impact of home sharing on local rental and housing markets.

EXTENDED ABSTRACT

Research Question
The proliferation of home sharing offers an alternative channel for homeowners, absentee landlords, and professional real estate companies to list their properties online. These Airbnb hosts cut off the supply of homes that would otherwise have been listed on the rental markets or sold on housing markets. Legislators around the world are experimenting with policies to meet the goal of affordable housing while reaping the benefits of home sharing. However, two questions remain inconclusive: (1) Is home sharing making rental and/or housing less affordable? and (2) Which market—the rental market or the housing market—is home sharing mainly affecting and how great is the impact? By understanding the response of rental and housing market prices to the changing supply of home sharing, we speak to the questions of whether and how home sharing affects affordable housing.

Method and Data
We leverage an experiment opportunity on Airbnb to estimate the dynamic price changes in rental and housing markets as a result of the home-sharing supply. We utilize the staggered rollout of a platform policy across cities and propose a plethora of identification strategies (synthetic control, difference-in-differences, relative time model, and instrumental variable) to estimate the impact. Particularly, the synthetic control method unlocks the potential of dynamic responses of the rental and housing market prices to the changing supply of home sharing and mitigates the concern that the donor zip codes in the control cities are not ideal counterfactuals.

Summary of Findings
We find that the policy was associated with symmetric decreases in local rents and home value. In addition, the price-to-rent ratio, defined as the home value divided by annual rent, increased insignificantly. This implies that home sharing has roughly equal impact between local rental markets and housing markets.

Key Contributions
The popularity of home sharing platforms has invited debates about how to regulate such platforms. Only if we come to a better understanding of the role of home sharing in local residential real estate markets can the legislators, city administration, and the marketplace itself better utilize these technology-based platforms. Our findings imply that home sharing is affecting the rental and housing markets equally, which add evidence to the debate and support policymaking. Additionally, we offer a useful formula for revealing how introducing the platforms-initiated regulation (the one utilized in our study as an identification strategy) mitigates the pressure on housing affordability. We inform policy discussions in cities that have begun to experiment with various regulations to restrict home sharing.

References are available on request.

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Hyperpersonalization of Clothing Recommending System (RS) Through Incorporation of Self-Generated Images

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Keywords: personalization, clothing, recommending system (RS), image processing, image generation

Description: Propose an image-driven hyperpersonalized recommending system for deployment in the fashion domain.

EXTENDED ABSTRACT

Research Question
The proliferation of technology into consumption challenges marketers to develop novel digital mechanisms for connecting with individuals in meaningful ways. The recommending system (RS) exemplifies a foundational technology that suggests products and services to individuals. In recent years, RS capability to suggest feasible alternatives to consumers improved through advances in machine learning. However, deployment of RS in a manner that leverages new capability, in particular, the use of unstructured data and deep-learning techniques are underexplored and underdeveloped. This research proposes a conceptual model for a hyperpersonalized RS for deployment in the fashion domain, drawing on state-of-the-art research in this emerging area. Specifically, we propose a model capable of leveraging unstructured data in the form of images as a key component for connecting on a personal level, in a product context that traditionally relies on visual communication. The model incorporates clothing recognition technology, semantic analysis, and heuristics to suggest complementary products to users based on self-generated social media images.

Summary of Findings
The framework is grounded in multidisciplinary empirical evidence related to image processing, mixing and matching rules and image generation. The model is designed to process self-generated images posted by social media users, parsed into unique clothing items. Environmental cues based on clothing occasion use are also extracted to potentially calibrate more accurate recommendation. Extracted features and semantics from module one will be matched with item features from brand inventory based on a set of mix-and-match rules (garment coordination rules). Based on fashion expert matching rules, a complementary or substitute item for the user’s current style will be selected from the brand inventory. Given the user image and candidate item images, along with the set of combination possibilities, visual recommendation through image generation will be made to the user via social media pushes. The new set of images will augment the original image with item suggestions from brand X. The proposed model is ultimately intended for application based on tested components from existing systems. As such, potential challenges in application remain unknown without empirical testing. However, the literature offers insight into issues that will likely require attention prior to model implementation associated with existing technology, clothing products, and user acceptance.

Key Contributions
This paper proposes an end to end, automated model to forge a link between machine learning techniques and marketing practice through generation of individual-level recommendations. Integration of machine learning techniques, specifically deep learning and image generation represent disruptive marketing innovations that challenge traditional thought and practice. Recent literature suggests that the emerging research into digital marketing suffers from a disconnect between academics and practitioners. This research directly addresses this disconnect through demonstrating timely application of science to contemporary market needs. Addi-
tionally, by incorporating contextual and environmental cues into the design, the accuracy of clothing recognition is expected to improve. Further, increased understanding of consumer behavior toward mixing and matching rules will contribute to both academic and practical understanding.

Finally, application of image generation techniques into the development of RS is unique and is expected to create paths to connect in new ways to customers.

References are available on request.
Competitive Mobile Geo Targeting with Financially Leveraged Retailers

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Shan-Yu Chou, National Taiwan University

Keywords: physical retailer, mobile geo targeting, debt financing, loan commitment, capacity constraint, mobile ecosystem, Hotelling model

Description: This paper examines how debt financing may impact physical retailers’ decisions regarding whether to go mobile and how to make real-time price offers to consumers based on the mobile technology.

EXTENDED ABSTRACT

Research Question
Despite that most firms in the real world are financially leveraged and seek to maximize equity value, the existing marketing theory has mostly assumed profit-maximizing firms. The 2008 financial crisis indicates that debt financing can impact literally each and every firm facing demand or cost uncertainty, and a marketing theory that overlooks the effects of financial leverage on firm behavior and industry equilibrium can be seriously biased and flawed. A case in point is Sears’s bankruptcy in October 2018, just as things started to look up for U.S. retail. The company filed for Chapter 11 protection from creditors, listing more than $10 billion in debts and slightly more than $1 billion in assets, and before the filing Sears had continually liquidated its capacity and gone through various financial rearrangements, some of which involved transactions between Sears and its CEO Eddie Lampert. We are curious about the latter phenomena and their relationships with mobile marketing decisions.

Summary of Findings
We assume that the physical retailers have different operating costs, and show that mobile geo competition has two possible outcomes: if the mobile consumer is detected at a real-time location close to the cost-efficient retailer, then cut-throat competition would result, where the cost-efficient retailer would set a predatory low price to ensure that its cost-inefficient rival makes no money in the current period. This outcome is especially relevant when the entire physical retail industry is facing difficulty. Cut-throat competition of this sort would result in the cost-inefficient retailer’s exit. On the other hand, if the mobile consumer’s real-time location is closer to the cost-inefficient retailer, then both retailers would price higher and obtain positive profits.

Our Result 1 shows that debt rearrangements by the cost-inefficient borrowing retailer via obtaining a loan commitment may improve both retailers’ welfare. The loan commitment reduces the borrowing retailer’s unit (financing) cost, which then discourages its cost-efficient rival from setting a predatory low price, thereby allowing the retailers to avoid the cut-throat competition. The loan commitment makes the cost-inefficient retailer better off without ambiguity, and while its cost-efficient rival is now facing a stronger competitor, the benefit from being able to price higher may dominate so that the loan commitment may also make the cost-efficient retailer better off. The loan commitment also enhances the welfare of the consumers appearing in locations closer to the cost-inefficient retailer, because the latter’s reduced operating cost induces both retailers to lower prices. The loan commitment may hurt or benefit the rest consumers, because it results in higher prices for those consumers, but may also allow some of them to shorten their shopping journeys and spare a portion of transportation costs.

Our Result 2 then shows that debt-induced capacity constraint also plays a crucial role in mobile geo competition. To repay its debt, a cost-inefficient borrowing retailer may need to continue liquidating its capacity; a recent prominent example is Sears. Thus a borrowing retailer having finished...
repaying its debt may need to operate with a much more limited store space than its all-equity counterpart. If a capacity-constrained cost-inefficient retailer has a loyal segment of nonmobile customers, and if the cost of going mobile is not small, this retailer may choose to focus on the nonmobile customers and show little interest of going mobile, which tends to encourage its cost-efficient rival to go mobile. However, when the mobile technology advances, the cost of going mobile may continue dropping, and this would ultimately encourage the capacity-constrained cost-inefficient retailer to go mobile, as long as there is a chance that the store has un-filled capacity left. As competitive mobile geo targeting may in general result in both retailers losing profits, we show that in this case the cost-efficient retailer may respond by setting a uniform price and choose to not go mobile. The cost of going mobile is thus crucial to the configuration of going mobile decisions made by retailers.

Key Contributions
Our analysis generates the following insights:

1. Debt rearrangements by a borrowing retailer via obtaining a loan commitment can have a great impact on all retailers’ pricing behavior and profits from performing mobile geo targeting.

2. Debt-induced capacity constraint facing a retailer having finished repaying its debt may either raise or reduce the retailer’s incentive of going mobile, and it tends to impact on the retailer’s rival in the opposite direction.

3. Our results highlight the role of the upstream mobile app competition and more generally the mobile ecosystem in altering marketers’ benefits from and incentives of performing mobile geo targeting. In particular, aggressive competition between upstream app firms tend to hurt downstream marketers by inducing the latter to go mobile and compete fiercely in making real-time price offers. In this case debt financing may allow the downstream firms to alleviate competition and enhance profits.

References are available on request.
The Optimal Mobile Temporal Targeting Strategy for a Capacity-Constrained Physical Retailer

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Keywords: physical retailer, proximity marketing, geo-fence, mobile geo targeting, mobile temporal targeting, peak pricing, capacity constraint, Hotelling model

Description: This paper characterizes the optimal mobile temporal targeting strategy for a physical retailer trying to serve its customers with a limited store space. The retailer's business day can be divided into the peak and off-peak periods. In each period, there are regular customers arriving from an adjacent Hotelling street. Regular customers would be willing to migrate to a less preferred period if given enough price discounts. Besides the peak and off-peak regular customers, the retailer is also facing a group of mobile consumers, referred to as the tourists, who may randomly appear in the retailer's neighborhood and can be detected and reached by mobile phone apps. They will stay around throughout the day. We consider two scenarios. In the hedonic scenario, the tourists have lower willingness to pay than regular customers do. In the utilitarian scenario, the tourists are just like a regular customers residing right beside the retailer's store. We analyze how the retailer's capacity constraint, its regular customers' migration costs, and the tourists' characteristics may respectively affect the retailer's temporal targeting decisions, and we identify the best time during a day for the retailer to send smartphone offers to the tourists and serve them.

EXTENDED ABSTRACT

Research Question
The existing research on mobile marketing has mainly focused on geo or location-based targeting and it falls into three categories. At first, there is a vast literature on the technical aspects of mobile computing. Second, there is also a literature that provides evidence based on empirical and/or field experimental data. Finally, there is a sparse literature that examines how physical retailers may strategically interact by making mobile offers to consumers. Some authors, such as Cezar and Raghunathan (2016), have exclusively focused on real-time smartphone offers, and others, such as Chen, Li, and Sun (2017), have exclusively considered smartphone coupons that have a date of expiry.

Unlike the above literature that focuses on location-based or geo targeting, this paper intens to characterize the optimal mobile temporal targeting strategy for a physical retailer trying to serve its customers with a limited store space.

Summary of Findings
This paper produces three main results. Result 1 shows that if the retailer is never capacity constrained, then whenever it chooses to serve the tourists, it would send them mobile offers in the off-peak period. Result 1 offers a rationale for the empirical findings in Dubè et al. (2017). Result 1 also implies that, if the peak period comes after the off-peak period, then the retailer must send the tourists mobile offers early; but if the opposite is true, then the retailer can wait till the end of the peak period to make mobile offers. This offers a rationale for the evidence documented in Baker, Fang, and Luo (2014), where the authors report that mobile ads for utilitarian products are most effective during morning hours, peaking between 10:00 am and noon, while ads for hedonic products are most effective during the afternoon, peaking between 2:00 and 4:00 pm.

Result 2 shows that in the hedonic scenario, pooling the tourists with the peak-period regular customers can also be
optimal if migrating to a less preferred period is much more painful to the off-peak-period regular customers than to their peak-period counterparts. The same conclusion holds in the utilitarian scenario if the regular customers in the off-peak period have significantly lower migration cost than their peak-period counterparts.

Result 3 shows that if the retailer’s store is constantly full and jammed then in the utilitarian case it may be optimal to pool the tourists with the peak-period regular customers.

Results 1–3 imply that practicing proximity marketing so as to cater the tourists’ spontaneous demand may have a great impact on the welfare of regular customers. In general, it benefits the regular customers in the hedonic scenario, but may hurt the regular customers in the utilitarian scenario.

**Key Contributions**

1. The existing research on mobile marketing has mainly focused on geo or location-based targeting. Our analysis supplements that literature with a theory of mobile temporal targeting.

2. Since a physical retailer has a limited store space, and a successful mobile marketing campaign may result in a temporary demand that exceeds the store’s capacity, it matters to determine when the retailer should allow this to happen. Our theory produces a rich set of results to this end.

3. In addition to when to send a mobile message, our analysis has generated rich implications regarding content design of a mobile message and how to organize hour-by-hour pricing schemes aided by mobile technology, and our results are mostly consistent with existing evidence.

*References are available on request.*
Making Sense of Technology Disruption: How Small Businesses Navigate the “Pass” Model

Rowena Crabbe, Virginia Tech

Keywords: lateral exchange markets, disruption, institutional logics, case study, small businesses, two-sided markets

EXTENDED ABSTRACT

Research Questions
How do small business owners make sense of “pass” model technology disruptors/platforms? How does this sensemaking shape their engagement with the “pass” model platform?

Method and Data
We engaged in a three-month multimethod ethnographic investigation of three organizations in the boutique fitness field, two years after the introduction ClassPass. We used a case study framework which included: participant observation (137 hours), consumer surveys (n = 240), analysis of seven years of administrative data (n = 15,496) and in-depth interviews (n = 31).

Key Contributions
Our findings complicate the common assumption that small businesses must engage with technology platforms to stay relevant and competitive, finding that small business owners’ sensemaking and engagement is far more complex than a simple, “yes” or “no.” The introduction of a matchmaker in a business to consumer setting creates a new, complex institutional environment made possible due to technological advances, featuring consociality and platform intermediation. While lateral exchange markets (Perren and Kozinets, 2018) have been theorized as lateral markets, platforms like ClassPass, MealPass, MoviePass and Hi Fly, feature similar consociality and intermediating functions, however targeting a traditional business to consumer setting. While this study focuses on a specific niche industry, disruption is widespread and few industries are immune (Belk, 2012). These findings provide insights for small businesses, who are disproportionately impacted by the introduction of disruptors (Zervas, et al., 2017) on navigating this new environment.

Summary of Findings
We found that each small business owner made sense of the platform, ClassPass, in varying ways, leading to three different levels of engagement. Owners either engaged with the platform with the goal of maintaining community, avoided the platform with the goal of protecting community, or had an evolving perspective of expanding community, then settling into bifurcating community. Each organization’s response stemmed from three types of factors: individual, organizational and field level factors, with this study focusing on individual factors.

Habitus, beyond constraining and enabling, oriented individuals towards certain behaviors, making certain values and behaviors seem inevitable or “just feel right” (Cardinale, 2018; Allen. 2002). In the case of small business owners facing disruption, within the enabled space of potential decisions, their habitus oriented different sensemaking, translating to varying levels of engagement with ClassPass.

References are available on request.

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**Research Question**
Which review topics are considered helpful? What type of count models should be considered to explain the number of helpful votes?

**Method and Data**
We identify brand specific review topics with latent Dirichlet allocation. The identified topics serve as predictors in various types of count models (e.g., Poisson, negative binomial) to explain the number of helpful votes for the reviews.

We use a data set on user-generated content for tablets in 2012, which was provided by Wang et al. (2014). The original data set contains 40,741 reviews on different tablet computer brands that were recorded over a period of 24 weeks.

Key Contributions: We add to the literature on review helpfulness and show an easy to implement way to analyze review topics and determine which of them are valuable for potential customers. In addition we shed light into the performance of count models.

Marketers can benefit from knowing which topics are considered helpful in different ways. First, they may try to adjust products or services according to the needs of (potential) customers. For instance, potential customers for Kindle found information about the attributes color and display or reading helpful. Knowing what they state about that may give some hint whether some characteristics need to be changed in the near future, e.g., should the reading experience be improved? Second, marketers might also try to add information from the topics in their product description, such as information on color or display. Generally, these information could also be used for advertising the product, e.g., “well suited for reading” etc. Finally, marketers may scan their (future) reviews for topics that have a positive impact on the number of helpful votes and display these reviews more prominently. This would be advisable for, e.g., the valence category if, e.g., Kindle reviews are about love, recommendation or fun.

**Summary of Findings**
This study shows that—depending on the brand—different numbers of topics are observable from the various product reviews. Overall, many of these topics have an impact on the number of helpful votes of product reviews. For instance, topics about reading increase the number of helpful votes for Kindle tablets but not for Asus tablets. In terms of modeling, we find that hurdle models are generally superior to classic count models.

References are available on request.
Consumer Motivations and Fake Online Reviews

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Keywords: fake reviews, online reviews, consumer motivations, eWOM

Description: This research examines consumers’ motivations to post fake online reviews about products or services through two exploratory studies.

EXTENDED ABSTRACT

Research Question
As markets become increasingly digitized, more and more consumers rely on eWOM in the form of online reviews to guide their purchases. From tangible products to intangible services, online reviews have become an important information source for consumers (Dellarocas 2006). Given the widespread influence of online reviews, e-marketers reportedly have been engaging in writing positive fake reviews about themselves and negative fake reviews about their competitors to bolster their reputation (Luca and Zervas 2016). A recent report has estimated that at least one in three TripAdvisor reviews is fake (Birchall 2018). We define fake online reviews as any consumer review posted in an online platform and is intentionally misleading to influence others’ beliefs and attitudes towards a product or service. Fake reviews have spurred much research in a variety of disciplines, although most of the research focuses on the differentiation between authentic versus fake reviews and the role that business plays in such behavior (e.g., Yoo and Gretzel 2009; Mayzlin, Dover, and Chevalier 2014; Luca and Zervas 2016). Therefore, this research aims to understand fake review phenomenon from a consumer perspective by addressing the following research question; that is, what motivates consumers to engage in fake online review behavior.

Method and Data
Study 1 uncovered reasons that motivate consumers to engage in fake reviews. We employed an online survey to ask participants to describe the circumstances that led them to post fake reviews. The survey included filtering questions to determine whether participants had previously written fake reviews. For those participants who had not formerly written fake reviews, we asked why they thought people wrote fake reviews. We posted the survey on four Facebook communities (three platforms for travelers to share travel information, and one for residents of a popular tourist spot to share their experiences with local businesses) and received 192 responses. Sixty-two responses were removed from analysis due to large amounts of missing data. Of those 130 participants, 75.3% were female with an average age of 45 years. More than half held a bachelor’s or graduate degree, and 72.3% identified as Caucasian.

Study 2 quantitatively validated Study 1’s findings. We constructed a survey questionnaire and developed measures for each of the motivations that emerged from Study 1. We recruited participants through MTurk and received 450 responses, 52.5% of which were female, with a mean age of 37.2 years. All respondents resided in the U.S. and received nominal payment for their participation.

Summary of Findings
Study 1 uncovered seven motivations that drive consumers to post fake reviews. These seven motivations include: desire to promote a business or help family and friends, personal gain, need for attention, entertainment, desire to hurt a business and discourage other consumers, revenge, and dissatisfaction.

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The measurement items for the seven motivating factors were subjected to EFA in Study 2. While exploring the dimensionality of the measurement items, two of the motivations merged into a single factor while one motivation split into two separate factors, resulting in seven factors. All factors had a Cronbach’s Alpha of .70 or higher, thus establishing reliability. Moreover, the Average Variance Extracted for all factors was higher than .50 supporting convergent validity. After establishing measure validity, we ran a regression analysis to determine the influence of each motivation on intentions to post fake reviews. The overall model was significant ($F = 9.655, p \leq .001$), with an $R^2$ value of .133. Four motivations significantly influenced intention. While need for attention ($\beta = .260, p \leq .001$) and dissatisfaction ($\beta = .106, p \leq .05$) had a significant, positive effect, desire to help family and friends ($\beta = -.114, p \leq .05$) and revenge and desire to hurt a business ($\beta = -.282, p \leq .001$) negatively impacted intention.

Key Contributions
Few studies have examined fake online reviews from a reviewer’s standpoint (e.g., Choi et al. 2017; Thakur et al. 2018). Moreover, previous eWOM literature has investigated antecedents of authentic eWOM senders (see King et al. 2014 for a review). We contribute to these streams by exploring potential motivators of fake eWOM, in the form of online reviews. Our research makes two contributions. First, we contribute to theory by empirically identifying and validating seven potential motivations that drive consumers to post both positive and negative online reviews. Second, we develop and test measurement items for each of the motivations, thus providing a reliable tool for researchers looking to further explore this topic. Our findings also contribute to practice as they provide the first step to the design and development of online review platforms that may deter the posting of fake reviews. By understanding what motivates consumers to post fake online reviews, practitioners can take specific and effective actions to discourage such behavior. Finally, desire to help family and friends and revenge and desire to hurt a business showed an unexpected negative effect on intentions to post fake reviews. Such an insight provides interesting ground from a theoretical standpoint for future research.

References are available on request.
Does Microblogging Lead to a More Positive Attitude Toward a Brand?

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Keywords: Twitter and tweeting, cultivation theory, consumer brand attitude, self-brand connection

Description: This qualitative research investigates how Twitter users perceive tweets about particular brands that companies present on Twitter and how different types of messages affect their attitudes toward those brands.

EXTENDED ABSTRACT

Research Question
This study addresses three research questions. First, is microblogging a useful medium for cultivation of brand attitude as enacted through short messages? Second, what kinds of messages contribute most to brand attitude cultivation? Third, does the message system or the social media platform affect brand attitude cultivation more?

Method and Data
We conducted a qualitative field study of Twitter microblogs of ten participants each following a different brand. This research used a natural setting where research participants were following, tracking, and observing tweets at a firm site on Twitter for 12 consecutive weeks. During the 12-week field observation, participants submitted 120 reports with approximately 30,000 words total. The researchers’ notes were also analyzed.

Summary of Findings
Findings suggest that branding messages and images (i.e., tweets and videos) have a substantial impact on consumer attitudes toward the brands. The continuous tweet flow, tweets with up-to-date information, tweets with high clarity in meaning, tweets with high relevancy, and fun tweets affect the user following experience more than others, generating greater positive attitude toward the focus brand and leading to more positive word-of-mouth behavior for the brand. The participants’ willingness to spread word-of-mouth about the band they had followed also changed.

Key Contributions
This study contributes to social media marketing in three ways. First, this research provides meaningful evidence on how cultivation changes with Twitter and evidence that Twitter has become an effective medium for cultivating consumer attitudes toward brands. Second, we extend cultivation theory into the microblogging domain by developing a stimulus-based cultivation model on consumer attitudes toward brands on Twitter which, a concept frequently articulated but relatively untested. Third, we specifically look at the potential power of messages (tweets, in this case) to shape consumer attitudes, a perspective that has received little attention in cultivation theory. These findings also provide meaningful implications for brand managers when creating and evaluating the effectiveness of the messages they set forth on microblogs like Twitter.

References are available on request.

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Product Review Forums as Learning Communities

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Keywords: consumer reviews, online review sites, cocreation, electronic word of mouth

Description: This research presents a cocreation perspective on the formation of consumer opinions in online product review forums and identifies forum practices that facilitate the cocreation of high-quality consumer opinions.

EXTENDED ABSTRACT

Research Question
This research addresses two intriguing questions about the burgeoning product review forums in the digital age. First, how do high-quality, influential consumer opinions emerge in the ubiquitous product review forums (which consist mainly of ordinary consumers)? Second, what constitutes high-quality consumer opinions and how can forum managers facilitate the joint creation of high-quality opinions by ordinary consumers? Drawing on the knowledge cocreation literature, we contribute to the fledgling literature on online product reviews in two notable ways. First, we advance a cocreation perspective that conceptualizes review forums as learning platforms where consumers can adapt their contributions to the interpersonal dynamics as well as forum-specific cultures. Second, we identify numerous forum design strategies that facilitate collaborative cocreation of high-quality consumer opinions (by encouraging or preventing specific reviewer behaviors). Interestingly, this important role of forum design has received virtually no attention in the marketing literature.

Summary of Findings
To ascertain whether and how collaborative knowledge cocreation is operationalized in product review forums, we conducted an observational study on a wide spectrum of online review sites. The observation data offer rich insights into forum design strategies in practice, and shed light on issues of forum design and management that have largely been ignored in prior research. They reveal diverse forum practices that are consistent with the principles of knowledge cocreation. However, the use of cocreative features varies significantly from forum to forum, and it seems that most forums have yet to unleash the full potential of knowledge cocreation among contributing consumers.

Key Contributions
As “volunteer opinion leaders,” online product reviewers (the majority of whom are ordinary consumers) play a pivotal role in today’s digital information ecosystem. We propose a cocreation model to explain how forum managers can motivate and guide ordinary consumers to collectively contribute high-quality product reviews. An observational study on a range of review forums reveals diverse practices that are consistent with the cocreation model. Overall, our research offers a new theoretical perspective on consumer opinion formation in the digital era, points to promising avenues of research, and informs practical design and management of online product review forums.

References are available on request.

Acknowledgement: This research was supported by a research grant awarded by the Hong Kong Research Grants Council to the second author (UGC/FDS14/B15/17).
The Effects of Severity of Negative Word-of-Mouth (nWOM): An Aggression-Frustration Perspective

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**Keywords:** online negative word-of-mouth, service failure, recovery strategy, aggression-frustration theory

**Description:** The present study examines an interpretation of online nWOM across the complainant and the recipient, recognizing frustration-aggression theory to decipher customers’ idiosyncrasies imperative to the online negative WOM construct.

**EXTENDED ABSTRACT**

**Research Question**
Past research provides rich conceptual information on the constituents of online negative word-of-mouth (nWOM). However, inconclusive insight is evident into how customers construe online nWOM. This missing link evolves into unsatisfactory understanding of nWOM, leaving providers with anecdotally based recovery strategy decision-making. To address this, unlike extant research the present study examines how a complainant (i.e., initiator of the online nWOM) and recipient (the consumer who engages with the online nWOM) interpret online nWOM, recognizing this as a coconstructed activity. The study introduces frustration-aggression theory into the online WOM literature to support the deciphering of customers’ idiosyncratic construing of what lies beyond that which is explicitly voiced.

**Method and Data**
Data were collected from millennials in two contexts (i.e., the UK and Kosovo) with unique online WOM experiences, utilizing online banking as the data collection ground. Social constructivism was acknowledged as the epistemology to advance the development of theory across customers’ nuanced interpretations of online nWOM as joined contextually constructed experience. Data were collected through semi-structured focus group interviews, with 6 focus groups in total (3 focus groups per country). Each focus group consisted of 3 complainants and 3 recipients, recruited with the support of banks from each country. The focus group interviews lasted 60 minutes, with 15 open-ended questions phenomenological in nature. Emerged data were analyzed through a thematic analytical approach, where the participants’ most repeated words were identified to lead into themes representative of meanings assigned to online nWOM.

**Summary of Findings**
Data analysis resulted in a threefold online nWOM typology, mediated by the level of harm customers aimed to impart to the provider upon an online banking failure experience: (1) lenient online nWOM, (2) moderate online nWOM, (3) severe online nWOM. Further, the level of harm is explained by the frustration-aggression inherited within customers’ personas. Recovery strategies to satisfactorily manage all types of online nWOM are divulged. Lenient online nWOM consists of a frustrated complainant and recipient; with simultaneous explanation and empathy within 48 hours, and a reply on behalf of the company to shape the customer’s recovery satisfaction. Apology and explanation within 24 hours is the advised recovery strategy upon moderate online nWOM arising, disclosed by a frustrated (aggressive) complainant and aggressive (frustrated) recipient. Explanation within a business day, apology within a business day, or compensation within 48 hours are recognized to be the satisfactory recovery strategies for severe online nWOM—where aggression is evident across complainant and recipient.

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Key Contributions
The present study is the first to examine unique particularities, explained through frustration-aggression, present in complainant and recipient as drivers of online nWOM—vital to extend understanding beyond existing contextual explanations of negative WOM. It introduces frustration-aggression theory into online nWOM literature as a premise to decipher diverse nuances of customers' interpretation of nWOM. Finally, it extends understanding beyond a single context, recognizing contextually driven nWOM exegeses. The study presents the complainant-recipient model, which enunciates recovery strategies that lead to satisfaction across all types of online nWOM, in particular within the online banking continuum.

References are available on request.
Which Auction Mechanism Benefits Small and Medium Sized Businesses? A Simulation-Based Approach

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Keywords: keyword search advertising, generalized second price auction, cost-per-click, cost-per-time, advertising effectiveness.

EXTENDED ABSTRACT

Research Question
We examine which auction mechanism benefits small and medium sized businesses most.

By comparing three cost-per-click (CPC) based search advertising auctions (i.e., first price auction, second price auction, second price-quality score auction), we suggest the optimal keyword search advertising strategy to small and medium sized businesses whose advertising budget is limited. We also investigate whether a cost-per-time (CPT) auction could be an alternative auction method compared to the CPC auctions.

Method and Data
This study utilizes a simulation-based approach to examine the research questions. The comparison of the different auction mechanisms requires many different variables from the three main stakeholders of search advertising that are advertisers, search engines, and consumers, which is indeed hard to be obtained. Our simulation-based approach with realistic assumptions is to get around this problem.

Key Contributions
The main contributions of this study are as follows. First, we examine the strengths and weaknesses of various auction mechanisms and provide guidelines regarding how and when alternative auction mechanisms could be beneficial to different types of advertisers. Second, our simulation results suggest the possibility of using CPT mechanism, an alternative cost-determining method based on the period of advertising at a fixed cost, which is new to the literature on search advertising and real-time bidding.

In conclusion, our simulation study comparing alternative auction mechanisms provides new insights for the managers in advertising platforms to choose and design auction mechanisms and for managers of the firms that use search advertising and other advertisement platforms using auction-based pricing mechanisms to optimize their search advertising bidding strategy in different auction mechanisms.

Summary of Findings
Our major findings are as follows.

1. In the groups of high value for advertisement, advertisers’ profits decrease as advertisement quality decrease. This result is salient in the case of the second price-quality score auction.

2. In the groups of medium and low value for advertisement, advertisers’ profits are much low. However, if advertisers in these groups have high advertisement quality, the profits of such advertisers are significantly higher in the second price-quality score auction than in the other CPC-based auctions.

3. A CPT-based auction does not perform as well as the CPC-based auctions.

In summary, a second price-quality score auction is the most appropriate for small and medium sized businesses.

References are available on request.

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The Impact of Fake News on Brands and Social Media

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Keywords: fake news, Facebook, brand management, social media networks, consumer trust, solutions.

Description: This exploratory study examines the effects of fake news on brands, consumer perceptions, and social media, and proposes solutions for the betterment of brands' communication strategies.

EXTENDED ABSTRACT

Research Questions
Social media networks (SMNs) have succeeded in attracting a large proportion of the world population and integrating people’s daily lives and made fake news, which uses social media as its medium for proliferation, a global threat for misinformation. Its speed, reach, and deceiving design has made it hard for tech companies and policy makers to produce a mechanism than can stop its spread and counter its effects. The consumer-brand relationship is also affected by fake news since brands utilize social media to interact with consumers. The academic research on the topic of fake news is limited; and the effects of fake news on consumers, brands, and social media are understudied. Thus, the aim of this study is two-fold: (1) examine how the consumer-brand relationship is altered from the impacts of fake news on consumers’ attitudes and behaviors, and (2) explore new ways that brands can shield themselves from the negative impacts of fake news.

Method and Data
A qualitative exploratory approach was adopted for this study with 80 face-to-face, in-depth, semi-structured interviews conducted. Convenience sampling was used to obtain data from 50 social media users and 30 social media experts. The preselection criteria, including screening questions, ensured that consumers were active Facebook users and had previously encountered fake news on Facebook. The social media experts had extensive experience in marketing and/or advertising. Two questionnaires, one designed for each respondent type, allowed for the emergence of new themes: 14 open-ended questions were asked to consumer respondents, and 10 questions were asked of the expert respondents. All interviews were imported to NVivo. Qualitative thematic analysis was coded the consumers and experts’ attitudes toward fake news. Following a thematic analysis for data coding, the first phase of forming the codes was based on our questionnaire and limited a priori codes derived from the literature. The codes were then categorized and distilled into general and specific themes obtained by clustering meaningful and expressive statements from the transcripts, following a qualitative analysis protocol. The finalized codes were thus both theory-driven and data-driven.

Summary of Findings

Consumers’ Perceptions of Fake News Believability
The first finding concerns an alteration in the consumer-brand relationship due to the impact of fake news on consumers’ attitudes that produced a decrease in brand trust stemming from a decrease in brand news believability. Internal factors; affecting consumers’ perceptions of fake news included skepticism, awareness, and previous experience, while external factors included relevancy and message cues. When consumers are exposed to fake news, they either: (1) believe, (2) dismiss as fake, or (3) ignore the news. A feedback loop reinforced skepticism, awareness, previous experience, and the judgment of message cues.
Consumers’ Attitudes Toward Sharing Fake News

The second finding showcases the impact of fake news on consumer behavior toward brands by examining their willingness to share fake news. Consumers’ decisions to share news they know to be fake is motivated by (1) duty, (2) boycott, (3) authentication, and (4) entertainment, while their decisions to refrain from sharing fake news stem from brand protection and brand loyalty.

Solutions for Fake News

Experts recommended that users, brands, and SMNs implement the following solutions: Utilize fact-checkers, empower brands, raise awareness, accumulate trust, actively monitor fake news, and ban or avoid fake news sources.

Key Contributions

This study increased our understanding of how fake news is affecting the marketing landscape today. The research investigated the relationship between fake news, brands, and social media. Its theoretical contributions add to the understanding of the effects of fake news on consumers’ attitudes and behaviors in the context of the consumer-brand relationship occurring on social media. The practical contributions are the proposed solutions to deal with fake news. The implications are important for brands, as they pave the way for adopting new strategies built on understanding how consumers assess the believability of fake news and how or whether they decide to share fake news. A common theme among the different solutions was the need for cooperation between SMNs, brands, and consumers. Brand managers can reinforce certain factors that help consumers spot fake news, including awareness and message cues while still appealing to consumer loyalty and moral duty to protect their brands. These brand communication strategies tailored on social media can reduce the impact of fake news on brands; therefore this study adds to the body of knowledge on this particular disruptive force facing brands today and partially fills the current gap in the literature while proposing possible solutions for handling fake news.

References are available on request.
Positioning High- and Low-Status Brands in Social Media: The Potential of Communication Style

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Keywords: communication style, brand linguistics, social media marketing, social distance, luxury branding

Description: This paper investigates whether and how the way in which luxury and nonluxury brands communicate in social media conveys different levels of social distance from customers.

EXTENDED ABSTRACT

Research Question
Social media have disrupted marketing communication by enabling brands to publicly communicate with their customers in a very personal way. However, for some brands, this social closeness to customers may be less beneficial than for others in terms of brand popularity and positioning. High status, luxury brands typically keep a certain distance from their customers in order to maintain an exclusive image and create a strong desire for their brand. Do high-status brands also create this type of distance in social media and address their customers differently than do lower-status brands? And if yes, how exactly can brands preserve a certain degree of social distance in social media? We address these questions by exploring how the communication style, i.e., the way in which brands from different status levels communicate in social media, may convey different levels of social distance from customers.

Method and Data
We use four studies to investigate the communication style of luxury and nonluxury brands in social media. First, we analyze 49,402 tweets from 102 brands with the help of a stylometric Zeta analysis to reveal that luxury brands use a more distant communication style, even in a socially close channel such as social media. Second, the results of two laboratory experiments with manipulated social media communication styles confirm that consumers attribute different brand status levels to different communication styles and that these status inferences depend on consumers’ luxury brand aspirations. Finally, we examine the downstream consequences of using a socially close and a socially distant social media communication style for high- and low-status brands on customers’ like intentions on social media.

Summary of Findings
The results of our studies suggest that brands differ not only in what they communicate to their customers via social media, i.e., the communication content, but also in how they communicate, i.e., the communication style. We find that the communication styles employed by luxury and nonluxury brands in social media differ in the degrees of social distance they convey to the customer and that variations in social distance can be manipulated very subtly with the help of personal pronouns. Furthermore, we find that consumers associate a socially close communication style more strongly with lower-status brands and a socially distant communication style more strongly with high-status, luxury brands. We also find evidence that consumers’ level of luxury brand aspiration may serve as a psychological mechanism that helps to explain why customers infer a more luxurious brand status from a more distant communication style. In other words, a socially distant communication style may encourage consumers to aspire to a brand. Finally, we demonstrate how socially close and socially distant communication styles may yield different downstream consequences, in terms of customers’ like intentions, for luxury and nonluxury brands in social media.

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Key Contributions
Our work contributes to academic research in four ways. First, we contribute to the literature on brand linguistics by analyzing how brands from different status levels may use communication style to position their brands in social media. Examining this relationship is important because brand communication is a powerful means of conveying a specific brand image and shaping the consumer-brand relationship. Second, our research is the first to apply stylometry, a statistical method used to gain insights into a communicator solely based on his/her communication style, to marketing research. Third, we apply the concept of psychological distance to brand communication in social media and thus contribute to research examining social distance as an important dimension with which to classify communication styles. Finally, we shed light on the psychological mechanism to explain how customers associate brand status levels with different communication styles by examining customers’ luxury brand aspirations.

Our research helps marketers to assess the factors that shape consumer-brand relationships in social media. We show that a brand’s linguistic identity may influence how consumers identify, experience, integrate, and connect with brands. Brand managers are well advised to rethink whether their brand’s social media communication style suits the image they intend to convey.

References are available on request.
Understanding the Antecedents and Outcomes of Brand Evangelism in the Digital Environment

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Keywords: brand evangelism, digital marketing, loyalty, brand affect, self-esteem, brand trust, self-enhancement, consumer recruitment, WOM, passion

EXTENDED ABSTRACT

Research Questions
1. Which cognitive and affective antecedent variables drive the brand evangelist’s behavior?
2. Does brand evangelism have a relationship with behavioral loyalty outcomes?
3. Does brand evangelism influence consumer recruitment?
4. Does brand evangelism mediate the relationship between the antecedent and outcome variables?
5. Does the strength of the relationships between brand evangelism with the antecedents of brand trust and brand affect increase due to high levels of the need for self-enhancement motivation?
6. Does brand evangelism have a positive relationship with self-esteem?

Method and Data
Multi-item scales were extracted from prior literature, amended as needed for the purpose of this study, and were used to create a questionnaire. Aside from the scale for self-esteem, all scale measures were based on seven-point Likert-type scales of agreement from 1 (strongly disagree) to 7 (strongly agree.) The scale for self-esteem was measured on a four-point Likert-type scale of agreement from 1 (strongly disagree) to 4 (strongly agree.) The scales were followed by measures for demographic information.

An Internet survey was created using Qualtrics, an online survey tool. The survey was distributed to 300 male and female consumers between the ages of 18 and 65 using MTurk, an Amazon service that distributes surveys to its pool of active consumer participants. Participants agreed to consent to be a part of the study per the Pace Institutional Review Board’s (IRB) guidelines.

All participants that consented and qualified to be part of the study then moved on to the survey questions. The respondent reviewed an introductory statement that explained instructions for taking the survey. Then, the respondent answered 37 questions comprised of the multiitem scales and demographic questions.

The data were downloaded and cleaned, resulting in 245 completed surveys. The data were screened using IBM SPSS v 25. The analysis was conducted using IBM AMOS 23.

Key Contributions
1. Brand evangelism is operationalized as a multidimensional construct based on a unified definition.
2. The framework includes outcome, moderating, and mediating variables together in one framework that have not been examined in prior research.
3. Brand evangelism significantly influences the important outcome of behavioral loyalty, which has not been investigated in prior research.
4. Brand evangelism is established as a central construct that mediates the relationship between brand affect and behavioral loyalty.

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5. The psychological motivation of the need for self-enhancement moderates the relationship between brand affect and brand evangelism, which provides an explanation of the motivation to engage in brand evangelism.

6. Brand evangelism has a significant impact on self-esteem, which provides an explanation of why evangelism is important to the brand evangelist.

**Summary of Findings**

The first objective of this study was to obtain a comprehensive understanding of the multidimensional concept of brand evangelism beginning with a unified definition. This study integrated the past definitions and established a unified definition of brand evangelism that is operationalized by the three dimensions of passion, WOM, and intention to recruit: a consumer’s strong and unwavering bond with a brand over time, which results in consistently and ardently engaging in online conversations about that brand with the intention to recruit other consumers to favor the brand.

Next, the study examined the antecedent variables of brand evangelism. Prior research demonstrated cognitive and affective influences on brand evangelism. This study did not find a cognitive route to brand evangelism through brand trust. Additionally, the study did not find a relationship between brand trust and behavioral loyalty in the brand evangelism framework. Therefore, brand evangelism does not mediate that relationship. The study found a positive relationship between the antecedent variable of brand affect and brand evangelism.

The study argued brand evangelism had a central role in the brand evangelism framework. The study investigated outcome variables of brand evangelism, and whether brand evangelism mediated the relationships between the antecedent and outcome variables. Brand evangelism possessed a significant, positive relationship with behavioral loyalty. Further, brand evangelism mediated the relationship between brand affect and behavioral loyalty. Then, the study found a significant, negative relationship between brand evangelism and consumer recruitment. This is contrary to the hypothesis that the relationship would be positive. This finding warrants further scrutiny to understand why the relationship is negative. Lastly, the study found a significant, positive relationship between brand evangelism and the outcome of positive self-esteem. The study also found that brand evangelism mediates the relationship between brand affect and self-esteem.

Finally, the study explored the moderating variable of the need for self-enhancement satisfaction. The study found the need for self-enhancement satisfaction moderated the relationship between brand affect and brand evangelism.

*References are available on request.*
The Personalization-Privacy Paradox in Attention Economy

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EXTENDED ABSTRACT

Research Question
This paper conceptualizes the digital attentional noose that is tightening around consumers.

Key Contributions
The personalization-privacy paradox is a cycle: while personalization is considered to be a privacy benefit, consumers are reluctant to provide personal information for it; in turn, marketers’ exploitation of consumer personal information to provide personalization can trigger consumers’ privacy concerns. Although personalization is a stimulus that triggers attention processing, the theories that underlie this paradox understate this phenomenon. Besides, theoretical advances regarding attention are late compared to the evolution of businesses’ and policymakers’ agenda. Investigating the personalization-privacy paradox through the lens of attention thus appears to be one of the most promising avenues for research. Indeed, while consumers’ attention is fragmented by a multiscreen environment, marketers are still looking for the best way to capture attention through personalization.

Summary of Findings
The present theoretical paper shows to what extent insights from attention economy (i.e., governmentality, ecology of attention and policies) are valuable to understand the attentional noose that is tightening around consumers.

References are available on request.
The Effects of Marketing Intrusiveness, Privacy Knowledge, and Privacy Protecting Behaviors on Consumer Attitudes About Privacy and Personal Data Exchanges

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Keywords: consumer privacy, privacy protecting behaviors, consumer acceptance, fairness, personal data collection, multigroup analysis

Description: Building on findings from a prior study that proposed and found evidence for consumer acceptance of personal data collection being a form of coping with stress associated with participation in digital life, we focus on three moderating effects on consumer attitudes about privacy and their willingness to share personal information or have it collected without explicit permission: (1) the impact of the perceived intrusiveness of personalized unsolicited marketing communication; (2) differences in attitudes between consumers with high versus low levels of privacy knowledge; and, (3) differences in attitudes between consumers who self-report to participate in higher versus lower levels of privacy protecting behaviors.

EXTENDED ABSTRACT

Research Questions
Our two research questions (RQs) are: (RQ1) Do consumer perceptions of the intrusiveness of unsolicited digital marketing communication that uses their personal information strengthen attitudes about fairness and acceptance of personal data exchanges? (RQ2) What differences, if any, exist in attitudes about privacy and personal data exchanges between consumers presumably more empowered by their high level of privacy knowledge and higher levels of participation in privacy protecting behaviors and those presumably less empowered by their lower levels of both?

Method and Data
Survey methodology was used to collect data from our sample of 790 U.S. men and women—all heavy internet/mobile users—representing four generations. The survey was hosted online via Qualtrics. This study builds on the results of a prior study and leverages the same data set, including new data items not previously analyzed. All analyses were performed using SPSS and AMOS version 25.

Measurement analyses included: data screening and survey pretesting; exploratory and confirmatory factor analyses; and, tests for common method bias and multivariate assumptions. Tests for measurement invariance were also performed using the multigroup function in AMOS and the process called multiple-groups confirmatory factor analysis (MGCFA). Testing for measurement invariance across subgroups is important because it allows researchers to check if members of different groups assign the same meanings to the survey questions or scale items. The invariance testing process covers several steps in which increasingly restrictive levels of measurement invariance are explored. Three levels of measurement invariance were tested in the following order: configural invariance, metric invariance, and scalar invariance.

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Structural Equation Modeling (SEM) was then applied to survey data, incorporating items not previously analyzed. Four consecutive structural models were built using AMOS, with each subsequent model adding new variables. All had excellent model fit. SEM Model 1 includes the five main constructs and direct effects, and was the base model: consumer acceptance, fairness of exchanges, privacy concerns, personalization value, and personal interest. SEM Model 2 includes the new variable, monthly purchases. SEM Model 3 includes the controls: gender, age, and awareness of potential misuse of personal information. SEM Model 4 includes the interaction term, intrusiveness.

Summary of Findings
Our findings reveal few statistically significant differences in attitudes between the groups of consumers compared—all of which are effected by consumer perceptions of fairness of exchanges with retailers, in our case.

In the final model (SEM Model 4 with the interaction term), the R-squared increases slightly, yet is still rounded to .23 where consumer acceptance is the dependent variable and increases to .24 when fairness of exchanges is the dependent variable.

The structural modeling and MGCFA was used to test 6 hypotheses. That many of our hypotheses were not supported was counterintuitive. All hypotheses and detailed findings are presented in the original manuscript along with a figure of our hypothesized model with results and a table providing evidence of support for the multigroup analyses. Evidence is also provided for direct effects, moderation effects (with interaction term), and multigroup moderation effects.

Key Contributions
Our study makes three main contributions. First, we learned that perceived intrusiveness strengthened only the relationship between consumer privacy concerns and perceptions of fairness in exchanges, as only H2a was supported. This suggests that if marketing efforts make consumers feel uncomfortable or vulnerable, consumers may doubt whether their personal information was used fairly thereby raising privacy concerns.

Second, our hypotheses were worded such that they gave consumers the benefit of being presumably more empowered by higher levels of both privacy knowledge and participation privacy protecting behaviors. However, most of hypotheses were not supported; this can, at best, be described as counterintuitive. In most cases, there was no statistically significant difference in consumer attitudes between consumers with high versus low levels of privacy knowledge or higher versus lower levels of participation in privacy protecting behaviors. Regarding our controls, only gender was significant—in three cases. Given these results, it is no wonder marketers are able to successfully perpetuate falsehoods about consumer privacy concerns and exchanges involving their personal data in this digital era.

Third, most interesting is the discovery that in all cases in which there is a significant statistical difference between the groups compared, the relationships all had one thing in common: consumer perception of fairness in exchanges. Fairness is broadly considered an important component of (social) justice. Our findings imply that fairness of personal data exchanges between consumers and retailers may very well be a social justice issue of the digital era. And, that consumers who perceive that their personal information is being used fairly may be much more receptive to having it collected. Marketers planning programs and communication that rely on consumer personal data sharing, collection, and use, should remain mindful that fairness of the exchange for perceived benefits matters to consumers—and, that it matters more for men than women.

References are available on request.
Social Media Marketing Signals and Customer Engagement Behaviors (CEBs): Does Cultural Orientation Matter?

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ABSTRACT
Although research shows that utilitarian and hedonic values are the two broad purposes for consuming products and information, the effect of utilitarian and hedonic contents on customer engagement behaviors (CEBs) lacks adequate research. In an extension of the customer engagement literature, this study argues that social media marketing contents (utilitarian vs. hedonic) influence CEBs and how this relationship is moderated by cultural orientation. The results of an experiment offer additional evidence in support of CEBs as a behavioral concept that can be differentially influenced by social media marketing contents and cultural orientation. The study further finds that when exposed to hedonic content, collectivists were more likely to undertake CEBs than individualists, but the opposite effect was detected when participants were exposed to utilitarian content. Results are consistent with the reasoning that CEBs transcend transactions and customers can be spurred into CEBs through external marketing stimuli.

Keywords: cultural orientation, customer engagement, promise theory, social media contents

Introduction
Business reports show that investment in social media advertising worldwide rose from US $17.74 billion in 2014 to US $58 billion in 2018 (eMarketer, 2015; Marinucci, 2018). Companies invest in social media marketing in the anticipation that it will help them leverage customer engagement (van Asperen et al, 2018). Customers can be engaged at distinct levels including emotionally, cognitively and behaviorally (Hollebeek, 2011). Of interest in this study is customer behavioral engagement. This is mainly because social media marketers largely employ calls to action in their advertising (Welf et al., 2018).

While purchasing tends to be the most prevalent ‘called for action’ in advertising in general, customer engagement as a behavioral manifestation extends beyond purchase and includes interactive experiences with the brand that results in value cocreation (van Doorn et al 2010, Verhoeef et al. 2010). In the context of social media, engaged customers cocreate value through freely expressing their opinions, seeking assistance and giving feedback to the brand and/or fellow customers (Hsieh and Chang 2016; Baldus et al 2015). While social media marketing is on the increase, many companies struggle to effectively leverage the opportunities it provides to create highly engaged customers (Kunz, et al. (2017). This may be partly because not much is known based on empirical studies about how to approach creative message content to optimise customer engagement (Ashley and Tuten, 2015). Furthermore, while it is generally agreed that customer engagement behaviors (CEBs) can be facilitated through social media content, there is evidence shortage regarding how different content types influence the CEBs of consumers from different cultures.

Drawing upon the promise theory, this study aims at contributing to literature on customer engagement by addressing two key questions: (a) Are there differential effect of social media marketing content (hedonic vs. utilitarian) on CEBs? (b) Does cultural orientation moderate the effect of social media marketing contents on CEBs. In addressing these questions, the study contributes to literature in two significant ways. First, the study demonstrates the key role played...
by social media marketing content value type in motivating CEBs. Second, the study sheds light on the interaction effect of social media content and cultural orientation on CEBs. The findings in the study are also of significant managerial implications as they can be used by managers to enhance the effectiveness of their social media marketing campaigns.

**Conceptual Framework**

Figure 1 depicts the conceptual model. We postulate that social media ad appeal contents (utilitarian vs. hedonic) will influence a range of CEBs (i.e. self-expression, feedback intention, and seeking assistance) while cultural orientation (collectivistic vs. individualistic) is very likely to moderate this relationship (i.e. the relationship between social media ad appeal contents and CEBs). Retailers can identify and influence cultural orientation by noting how consumers differ in how they process marketing signals. According to Lim and Ang (2008), individualistic consumers perceive ads that use pictorial materials as possessing hedonic appeal while collectivistic consumers may process such ads differently. Also, the two broad goals (i.e. utilitarian and hedonic) that consumers pursue in their shopping trips (Lim and Ang, 2008) can be shaped by consumers’ individualistic/collectivistic cultural orientations (Shavitt and Cho, 2016).

Customer engagement involves consumers’ behaviours that transcend transactions (van Doorn et al., 2010) and emanates from consumer-firm interactive experiences (Hsieh and Chang, 2016). While customer engagement is conceptualized as a multidimensional concept (see Brodie et al., 2011), this article sticks to the behavioral dimension. Behavioral manifestations of consumers in online communities include soliciting for help from other users, helping other customers to consume better or offering suggestions to other customers, and sharing their opinions and experiences in the form of eWOM (van Doorn et al., 2010). This article focuses on self-expression, feedback intention, and seeking assistance because these subdimensions are well established in the online engagement literature whilst the three subdimensions are reflective of the consumer-brand interactions that characterize behavioral engagement (e.g. Hsieh and Chang, 2016). Additionally, consumers engage in online communities because they want to seek advice, vent their feelings, help the company and other consumers (Brodie et al., 2011).

**Theory and Hypotheses**

**Promise theory.** The fundamental premise of the promise theory is that the formation of employee, organizational, and customer brand perceptions is respectively fostered through a firm’s internal, interactive and external marketing actions (Calonius, 1986). This article focuses on external marketing actions which is central for shaping consumers’ brand perceptions. Firms propose value through external marketing (i.e. promise making) (Calonius, 2006). Thus, social media marketing signals (i.e. social media posting, the focus of this article) targeted at enhancing consumers’ awareness of the firm’s offerings are carriers of promises with embedded value. When properly deployed, such value-laden marketing signals can catalyze CEBs.

**Utilitarian vs. hedonic contents.** Consumers consume products and services (including information) for either utilitarian or hedonic reason (Hirschman, 1986). When exposed to hedonic contents, consumers experience pleasure, enjoyment, intrinsic satisfaction, and fun (Zhang et al., 2014; Hirschman, 1986). Conversely, consumers obtain rational benefits when they process utilitarian contents (Lim and Ang, 2008). While content marketing signals that transpire on the social media has been touted as influential triggers of consumer decision-making (Alves et al., 2016), research that examined the differential effects of ad contents on CEBs is rather scarce. Extant studies focused on the effect of rational and emotional ad appeals on attitude and purchase intention (e.g. Zhang et al., 2014). Specifically, Izogo (2017) demonstrated that emotional attributes are more likely to drive consumers’ perceptions than utilitarian attributes. We therefore hypothesize that:

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**Figure 1. Conceptual Model**

![Conceptual Model](image-url)
Social media ad appeal contents will differentially affect customer engagement behaviors (CEBs). Specifically, hedonic content will have greater influence on (a) self-expression; (b) feedback intention; and (c) seeking assistance than utilitarian content.

Cultural orientation. Although Hofstede’s (2001) cultural orientation includes five dimensions, this article focuses on the individualism/collectivism dimension because Triandis (1988) stated that it is plausibly the most important dimension of cultural difference in social behavior. Yet, an examination of how social media ad appeal contents interact with the collectivistic/individualistic cultural dimension to trigger CEBs has not been previously investigated. Individualistic consumers tend to be more oriented towards the self as an independent entity while collectivistic consumers tend to be more oriented toward others and have their identity subsumed in a wider social system they found themselves (Frank et al., 2015). Since collectivistic consumers seek group recognition, interaction, and more obedience (Hofstede, 2001) than their individualistic counterparts whilst social media platforms offer limitless opportunities for group recognition, interactions, and followership to transpire, we argue that collectivistic consumers will be more receptive to contents shared on the social media than individualistic consumers. Thus, they are more likely to undertake CEBs in their pursuit of recognition and need for social interactions than their individualistic counterparts. According to Frank et al. (2015), collectivistic consumers are more likely to be distracted by marketing stimuli than individualists. The following hypothesis is therefore proposed:

H2 Cultural orientation will differentially affect CEBs. Specifically, collectivistic consumers will more actively pursue (a) self-expression; (b) feedback intention; and (c) seeking assistance than individualistic consumers.

Depending on the type of social media ad appeal content, consumers from different cultures can exhibit distinct reactions. Yet, even though previous studies (e.g. Zhang et al., 2014) have examined the effects of utilitarian and hedonic ad appeal contents, how such contents interact with cultural orientation to influence CEBs is yet to be studied. Consumers from different cultures can vary in the manner they assess different ad contents (Hirschman, 1986). It is generally accepted within literature that the perception of marketing stimuli is hugely influenced by cultural differences. Lim and Ang (2008) found that consumers from other cultures view utilitarian and hedonic ad appeal contents differently from Americans. As we argued elsewhere in this article, collectivists are more open to social media communications than individualists. Since individualists highlight rational analysis of their relationships with others (Triandis, 1994), they are more likely to be spurred into behaviors by utilitarian content posted on social media than collectivists. Likewise, individualism decreases the psychological benefits arising from product choices that meet social preferences (Frank et al., 2015). Thus, relative to social media ad appeal content, we expect collectivistic consumers to be swayed more into CEBs by hedonic content while individualistic consumers will be more likely spurred into CEBs by utilitarian content. The following hypotheses are therefore proposed:

H3 Cultural orientation will moderate the effect of social media ad appeal contents on CEBs. Specifically, the effect of hedonic ad content on (a) self-expression; (b) feedback intention; and (c) seeking assistance will be more pronounced for collectivistic than individualistic consumers while the opposite effect will be detected for utilitarian ad content.

Methodology

Experimental design and stimulus. Bearing the wide applicability of vignette study in wide spheres of marketing in mind (see for instance, Zhang et al., 2014), we utilized a vignette study to realize the manipulation of social media ad contents. A 2 (ad content: utilitarian vs. hedonic) × 2 (cultural orientation: collectivistic vs. individualistic) between-subject factorial design was employed. Two social media marketing ad appeal contents were developed to manipulate utilitarian and hedonic contents respectively. Congruent with Hirschman (1986) who argued that consumers associate rational/utilitarian perceptions with ads presented in all-verbal format, utilitarian content was manipulated with all-verbal ads stimuli. Participants were told to imagine that they stand a chance to win a brand-new car if they increase their savings account balance by a specific amount. In contrast, hedonic content was manipulated with an attractive picture showing two people vacationing in an attractive location and accompanying verbal inscription showing consumers chance of winning a vacation trip when they increase their savings account balance because consumers associate pictorial ad stimuli with emotional perceptions (Hirschman, 1986) whilst consumers’ sensory and emotional responses can be stimulated with attractive pictures (Izogo, 2017). Cultural orientation was accounted for by selecting two universities situated in two culturally-distinct African countries (Nigeria and South Africa) in congruency with Hofstede’s cultural ranking. We selected these two African countries because according to Navin (2016), it is important to understand the cultural diversity of Africa and its implications for doing business in the continent because regional cultures were radically altered by European and Islamic incursions centuries ago. Students were recruited for stimuli presentation and data collection. Not only are students experienced...
consumers of Facebook postings, but as consumers of banking services, they will also have relevant experience of social media contents promoting financial services. The use of social networking sites (SNSs) especially Facebook is because SNSs makes consumer-brand interactions easy (Verhoef et al., 2010).

**Measures.** Measures of all the three latent variables under scrutiny were operationalized based on validated measurement scales. 4-item measures were adapted from Hsieh and Chang (2016) to operationalize feedback intention while 3-item and 4-item scales adapted from Baldus et al. (2015) were respectively used to measure seeking assistance and self-expression. All the measures were in 5-point Likert scale format (1 = strongly disagree; 5 = strongly agree). The psychometric properties of these measures are consistent with the set measurement criteria. Consistent with Hair et al. (2014), all measures demonstrate internal consistency (α = 0.862 – 0.891) for the overall sample.

**Participants and procedure.** 370 students (Nigeria, 170; South Africa, 200) participated in the experiment. Their overall mean age and the ratio of male to female participants are: mean age = 27.86 years; 190 males i.e. 51 percent. As participants arrived the scene of the experiment, they were instructed to seat quietly. They were handed a booklet containing the experimental scenarios and the accompanying survey. They were instructed to imagine a real-world situation in which they were browsing through the Facebook postings of their banks. The effect of existing brand names was controlled by employing a fictitious bank name. The booklets were structured in similar formats. Subjects were randomly assigned to one experimental condition by pre-mixing the booklets beforehand. Because “beautiful,” “attractive,” “desirable,” etc., were the adjectives used to operationalize measures of hedonic ad appeal (see Hirschman, 1986), whilst hedonic and utilitarian ad appeals have been used in a manner that portray both as opposite of each other (see Zhang et al., 2014; Lim and Ang, 2008), the manipulation of ad content was ascertained by asking the following question measured on a 5-point Likert-type format (1 = very unattractive; 5 = very attractive): “How attractive and pleasurable do you think the above Facebook post appears/looks?” Since ad effectiveness and ease of understanding can influence participants responses (Zhang et al., 2014), we accounted for them by asking the following questions in a dichotomous “Yes” or “No” format:

- “Can you say that the Facebook post is very effective in communicating the intended message?”
- “Is the message passed in the Facebook post easy to understand?”

After a pretest, “When I have need, I find it easy to quickly turn to others I know for help” and “People should generally keep their troubles to themselves” measured on a 5-point Likert-type format emerged as measures for ascertaining the manipulation quality of collectivistic/individualistic cultural orientation.

**Summary of Findings**

**Manipulation checks.** As expected, participants exposed to hedonic content rated content attractiveness higher than those exposed to utilitarian content \([M_{	ext{hedonic content}} = 3.96, SD = 0.99 \text{ vs. } M_{	ext{utilitarian content}} = 3.19, SD = 1.16; F(1, 369)\)

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>(F)</th>
<th>(p)-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a: Ad content (AC) (\rightarrow) self-expression</td>
<td>0.012</td>
<td>0.913</td>
<td>Not supported</td>
</tr>
<tr>
<td>H1b: Ad content (AC) (\rightarrow) feedback intention</td>
<td>7.562</td>
<td>0.006</td>
<td>Supported</td>
</tr>
<tr>
<td>H1c: Ad content (AC) (\rightarrow) seeking assistance</td>
<td>0.294</td>
<td>0.588</td>
<td>Not supported</td>
</tr>
<tr>
<td>H2a: Cultural orientation (CO) (\rightarrow) self-expression</td>
<td>38.047</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2b: Cultural orientation (CO) (\rightarrow) feedback intention</td>
<td>34.598</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2c: Cultural orientation (CO) (\rightarrow) seeking assistance</td>
<td>26.395</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3a: AC (\times) CO (\rightarrow) self-expression</td>
<td>19.384</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3b: AC (\times) CO (\rightarrow) feedback intention</td>
<td>27.710</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3c: AC (\times) CO (\rightarrow) seeking assistance</td>
<td>13.111</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>
76.2% of the participants understood the content conditions. Chi-square test outputs reveal that participants’ understanding of the ad contents was the same [i.e. \( \chi^2(1) = 3.09, p=0.08 \); odd ratio = 1.54]. Additionally, Nigerians gave a significantly higher rating for the collectivistic item than their South African counterparts (\( M_{\text{Nigerians}} = 3.77, SD = 1.21 \) vs. \( M_{\text{South Africans}} = 3.32, SD = 1.33; F(1, 369) = 11.45, p = 0.001 \)) while the opposite effect was detected for the individualistic item (\( M_{\text{Nigerians}} = 2.67, SD = 1.39; F(1, 369) = 23.43, p < 0.001 \)). Summarily, the experimental manipulations were effective.

**Hypotheses.** A MANOVA test through generalized linear model in SPSS was conducted. Results (see Table 1) reveal a significant main effect of social media ad appeal content on feedback intention \( [F(1, 369) = 7.562, p < 0.01, \omega^2 = 0.020] \) and insignificant main effect on self-expression \( (p > 0.10) \) and seeking assistance \( (p > 0.10) \). Consumers were more likely to express themselves on social media when exposed to hedonic content (Mean= 3.354, SD= 0.082) than when exposed to utilitarian content (Mean= 3.029, SD= 0.085). Thus, data support H1b and not H1a and H1c. We also detected a significant main effect of cultural orientation on self-expression \( [M_{\text{collectivistic}} = 3.841, SE = 0.087 \text{ vs. } M_{\text{individualistic}} = 3.113, SE = 0.080; F(1, 369) = 38.04, p < 0.001, \omega^2 = 0.094] \), feedback intention \( [M_{\text{collectivistic}} = 3.540, SE = 0.087 \text{ vs. } M_{\text{individualistic}} = 2.844, SE = 0.080; F(1, 369) = 34.598, p < 0.001, \omega^2 = 0.086] \), and seeking assistance \( [M_{\text{collectivistic}} = 3.713, SE = 0.082 \text{ vs. } M_{\text{individualistic}} = 3.141, SE = 0.075; F(1, 369) = 26.395, p < 0.001, \omega^2 = 0.067] \). Thus, H2a-c are supported. Finally, we detected a significant interaction effect of ad appeal content and cultural orientation on self-expression \( [F(1, 369) = 19.384, p < 0.001, \omega^2 = 0.050] \), feedback intention \( [F(1, 369) = 27.710, p < 0.001, \omega^2 = 0.070] \), and seeking assistance \( [F(1, 369) = 13.111, p < 0.001, \omega^2 = 0.035] \). Figure 2a-c graphically depicts the interaction effects. Taken together, collectivistic consumers were more likely to undertake CEBs when exposed to hedonic content than utilitarian consumers but for individualistic consumers, utilitarian content triggered CEBs more than hedonic content.

**Discussion and Implications**

This study sought to examine the differential effects of social media advertising content on CEBs and the role of cultural orientation in this process. Consistent with arguments advanced by the promise theory, the findings show that value embedded in marketing contents can help explain CEBs. The differential effects of ad content do not however manifest on all types of CEBs as evidenced by significant findings on feedback intentions and not the other CEBs. Furthermore, consistent with observations by Frank et al (2015) noting differential effects of marketing stimuli due to cultural differences, this study show that collectivistic consumers were more likely to undertake CEBs than individualistic ones. Moreover, the effect of hedonic content was found to be more pronounced on collective consumers compared to individualistic ones while utilitarian marketing content had more effect on individualistic than collectivistic consumers.

The findings in this study have significant theoretical implications. Firstly, the study demonstrates the importance of value embedded in social media marketing content in explaining CEBs. Content value serves as a motivational force and has accordingly positive effect of CEBs. Secondly, the findings show that while value in general is critical to explaining CEBs, differences in nature of value embedded in marketing content may explain differences in intensity of influence. This is evidenced by the greater influence that hedonic content has on feedback intention when compared
to utilitarian content. Lastly, this study contributes to knowledge on the role of independent factors in understanding intensity of influence of a motivational force. Specifically, the results show that cultural orientation does not only differentially affects CEBs but that it also moderates the effect of social media marketing content on CEBs.

The managerial implications of the findings include: Firstly, the need for managers to give special consideration to the creative process behind the development of social media marketing content if they are to influence CEBs. In general, customers are likely to respond favorably to content that is associated with high perceived value. Secondly, it is important for managers to have clear focus on the kind of CEBs that they would want to stimulate. This study shows that feedback intention is influenced more by hedonic than utilitarian content. Lastly, managers need to consider the cultural orientation of their customers in trying to influence CEBs. This is supported by findings showing that individualistic consumers unlike collectivistic ones are in general less prone to be influenced by social media marketing content. Furthermore, hedonic content was found to have more effect on collectivists than individualistic consumers while utilitarian content had more influence on individualistic than collectivistic ones.

Limitations and Suggestions for Future Research
The findings in this study need to be considered keeping in mind its limitations including the fact that the study focused on customer engagement only from the behavioral perspective and looked at three specific behavioral constructs. Future studies should consider other forms of customer engagement and/or include other types of behavioral constructs. Another limitation is that in looking at cultural orientation this study only focused on the individualism/collectivism dimension. Future studies should consider including more dimensions.

References


The Impact of Social Media Marketing on Customer Relationships and Purchase Intention

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Keywords: social media marketing, customer relationships, intimacy, trust, behavioral intention

Description: This research paper looks the effects of social media marketing on behavioral intention mediated by customer relationships (i.e. intimacy and trust).

EXTENDED ABSTRACT

Research Question
Technology advancement today allows us to do instant and live communication. The existence of social media has changed marketing and businesses where consumers have more power than marketers. At the click of a button or a swipe across the screen, consumers are now able to gather information and accurate knowledge. Consumers can access reviews about products or services with the help of social media sites as it allows us to communicate with anyone across the globe and interact with businesses anytime. Hence, social media marketing is an important relationship marketing strategy (Baird & Parasnis, 2011; Helgesen, 2008) and an effective medium to stimulate purchase intention (Kim & Ko, 2010). However, trust and loyalty remain as some major issues in transforming the intention into action (E-commerce Nation, 2019; Vishnoi, 2019). Thus, this study aims to understand the role of customer relationships on behavioral intention. According to E-commerce Nation (2019), 8 out of 10 online shopping carts are abandoned due to the absence of online identity verification (lack of trust). As such, this study attempts to uncover how trust mediates the relationship between social media marketing and behavioral intention.

According to Tuten and Solomon (2018), participation is added to the original 4P’s of marketing mix to become 5Ps (social media marketing mix). Through participation, good relationships can be developed and become long-lasting. According to Lau and Lee (1999), a good relationship is required to create positive behavioral intention and encourage future recommendation. However, businesses are struggling to maintain customer loyalty (Vishnoi, 2019) because both sellers and buyers do not know each other intimately while making transaction. Lack of connectedness, closeness and bond (intimacy) are reasons consumers hold back in making payment. Thus, this study intends to examine how intimacy affects the relationship between social media marketing and behavioral intention.

Method and Data
The conceptual model is tested through a self-administered questionnaire-based survey and executed online using Qualtrics. Students were identified as the unit of analysis and were pooled using purposive sampling method drawn from Klang Valley public and private universities. Student aged between 18 and 30 was chosen because 90.4% of Millennials and 77.5% of Generation Y are active social media users (Emarketer, 2019). Survey link was posted in several university confessions groups and participation was based on convenience method.

The measurement items were adapted from existing literature and refined through pilot test with undergraduate students to suit the study’s context. Social media marketing items were adapted from Michaelidou, Siamagka, and Christodoulides (2011). Items for behavioral intention were adapted from Pavlou (2003) and Yoo and Donthu (2001). Intimacy items were adapted from Albert, Merunka, and Valette-Florence (2009) while trust items were adapted from Sirdeshmukh, Singh, and Sabol (2002). After ensuring the
constructs’ reliability and validity, the hypotheses were tested using SmartPLS 3.0.

**Summary of Findings**

All seven hypotheses tested in this study were supported. Among the three predictors (social media marketing, intimacy, and trust) for behavioral intention, intimacy is the most significant predictor followed by trust and social media marketing. Interestingly, social media marketing affects trust more than intimacy. For indirect relationship, intimacy has a more significant mediating effect as compared to trust. This finding is in line with Stelzner’s (2013) finding, where 68% of the marketers use social media to gain marketplace intelligence and develop loyal fans, mostly through Facebook and Instagram pages. After a year, 63% of them found social media sites useful for building a loyal fan base. In other words, intimacy is developed through long term engagement as consumers perceived the connectedness, closeness and bonding with the brand and company. According to Lau and Lee (1999), trust in a brand and a company must go hand in hand where trust will develop together with intimacy.

**Key Contributions**

In future, social media marketing will become superior to traditional marketing. Conducting business using social media is very different from brick-and-mortar store because businesses and consumers both do not fully identity each other and the point of contact is intangible. Therefore, the findings of this study can help businesses to develop customers relationship through social media marketing.

Many studies aimed at understanding how trust influence behavioral intention, but limited studies investigated intimacy (Kim and Ko, 2010). Surprisingly, trust is not the main reason (based on the findings) that draw behavioral intention. Thus, this study would help marketers to understand the role of customer relationship on behavioral intention as trust is built along with intimacy. Therefore, marketers should focus on developing intimacy through activities that encourage consumers participation or engagement to develop intimacy that lead to trust.

*References are available on request.*
Effects of Targeted Social Media Advertising on College Campus Engagement with Registered Student Organizations

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Alexandria Miller, Saginaw Valley State University

ABSTRACT
This project seeks to identify how Facebook advertisements can be used to increase a campus organization’s online engagement and attract university students to events on campus. Four studies were conducted to evaluate the effect of design elements on post engagement.

Keywords: social media, Facebook advertising, campus engagement, consumer behavior

Description: Using effective marketing practices, this project seeks to identify how social media advertising can be used to increase campus engagement with registered student organizations.

Introduction
One common university mission is to foster an environment of inquiry and openness that allows individuals to achieve their academic and societal goals. One way to provide this environment is through registered student organizations (RSOs). Because undergraduate students are generally only on campus for 4–5 years, RSOs are continually seeking to recruit new members. RSOs are student-led and not typically well funded. Students can secure funds through fundraising, grants, support from external organizations, and the university. Using effective marketing practices, this project seeks to identify how Facebook advertisements can be used to (1) increase an RSO’s online engagement and (2) attract university students to attend campus events.

Literature Review
Previous research has explored the effects motivation has on social media advertisement clicks and the subsequent effect on behavioral intentions to spread positive word-of-mouth (Zhang and Mao 2016). Research finds that advertisements that are congruent with editorial content result in greater social media customer engagement, sharing, and purchase intention. For example, informative advertisements should be paired with informational content and entertaining ads should be paired with entertaining content. This suggests that when setting up targeting algorithms they should be set up in such a way to ensure that online advertisements from RSOs are nonintrusive and relevant to students on campus as they are browsing social media.

The online motivations of connection, consumption, and shopping identified by Hoffman and Fodor (2010) paired with informational content that aligns with consumer goals can provide a platform in the social media context that leads to intentions to interact with others (Zhang and Mao 2016). Research also finds that firm-generated content has a positive and significant effect on behavioral intentions to interact with organizations (Kumar et al. 2016). These interactions can be through social media pages, in-person, or by sharing content with others. So far, the research on these interactions has been conducted through large-scale surveys about hypothetical responses.
to social media advertisements (Zhang and Mao 2016; Kumar et al. 2016).

**Hypothesis Development**

Based on the findings of Kumar and colleagues (2016) that firm-generated content has a positive impact on consumer purchase behavior, we expect organizational communications to lead to online social media engagement in the form of post clicks and page likes (H1). While it would seem obvious that any type of organizational post, advertisement, or communication should lead to increased engagement, it is important to note that it is possible for users to unfollow or block organizations on social media. So, it is possible to experience a negative social media engagement.

Student organizations on university campuses exist to make connections among the people, give them a place to explore new interests and skills, and to create and share their ideas. Based on the findings of Zhang and Mao (2016), we expect congruence between the advertisement and the motivation of target consumers to impact behavior on online. For example, we expect that students who have a motivation to create content, stay connected, and gain followers will find informative ads from a campus RSO to be consistent with their social media goals.

Based on a review of Facebook content of a single midwestern university, RSOs (n = 186) tend to share primarily informative content (77%) about their group and upcoming events on their social media pages and websites. Non-informative content tended to be thank-you or congratulatory messages to their members and participants. Therefore, we expect an informative advertisement to be more efficient in attracting followers to a page that provides informative posts on a regular basis. If there is a match between the user’s motivations and the advertisement’s level of informativeness we should see an increase in ad clicks (H2a). If there is a match between the advertisement and the organizational Facebook page, we should see an increase in page likes (H2b).

Also relevant to the level of informativeness of the advertisement, is Facebook’s limitation of how much text is recommended for a successful ad. According to Facebook (2019a), “images with less than 20% text perform better.” Until last year, they even went as far as restricting advertisers who had too much text in their ads by refusing to run ads (Vrountas 2018). Facebook has since done away with their 20% rule but continue to limit exposure of ads that are deemed to have too much text (Vrountas 2018). This is in line with Townsend and Kahn’s (2014) findings that consumers prefer visual over text depictions of information. However, research on the vividness effect finds that consumer preferences for visual/vivid information may be overstated (Taylor and Thompson 1982; Tafesse, 2015). While we are not stating a hypothesis for this relationship, we will test whether the presence of more text is harmful to an ad’s performance.

There is also a somewhat recent study by AdEspresso (2017) that finds that a series of still images outperforms motion-picture videos. We expect these findings to replicate in the context of university student RSOs (H3).

**Method**

Facebook is a popular social media among U.S. users, including college-age individuals. About 81 percent of those ages 18–29 claim to use Facebook (Gramlich 2019). Based on the popularity of the Facebook platform and the availability of metrics in the Facebook Ad Manager, Facebook is used as the platform to conduct this research.

The data for this research was collected through Facebook advertisements for two registered student organizations at a midwestern university. One RSO is a brand-new organization for business students, the other is a women’s multicultural interest group. The Facebook page content was kept as consistent between the two groups as possible during the timeframe of the study. The researchers had access to the Facebook Ad Manager for both groups.

Since October 2017, Facebook Ad Manager now provides users with split testing options to test different versions of ads. The winning ad is “determined by comparing the cost per result of each ad set” (Facebook Business, 2019b). Using the data from the test, Facebook simulates the performance of each ad set to determine how likely the winner of the split test would be to succeed. Users are then notified that a winning ad has been discovered. Facebook’s system uses a confidence interval of 75% when making recommendations regarding “winning” ad content (Facebook Business, 2019b).

Prior to running the advertisements, a between-subjects pretest of the study designs in study 1 and study 2 shows that the high informative was rated as more informative (M = 4.76) than the low informative condition (M = 3.36, t(69) = 3.229, p = .003). Both advertisements were rated as equally entertaining (M = 3.44, p > .05). Within subjects, the ad in the high informative condition was rated as more informative (M = 4.76) than entertaining (M = 3.69, t(28) = −3.287, p = .003). The ad in the low informative condition was rated as equally entertaining (M = 3.26) and informative (M = 3.36, p > .05). Therefore, the manipulation was effective, and we control for the entertainment value of the ads.
Study 1

Because we can neither control which individuals click on the advertisement nor their motivation, we control the objective of the social media campaign using Facebook’s algorithms. In this first study, two simultaneous campaigns (Objective: Engagement, Likes) were set up using A/B testing to evaluate the effectiveness of two ads (Informative: High, Low). The advertisements ran for 8 consecutive days starting in the second week of the academic semester using a set ad budget of $5 per day.

Results

The engagement campaign resulted in 16,682 impressions \((n_{\text{High}} = 8686, \ n_{\text{Low}} = 7996)\) with an average frequency of 2.96 views per targeted individual. Engagement was measured in clicks and each condition resulted in 40 link clicks. Contrary to what we would expect to find based on the literature, we find that there was no difference in engagement between the two conditions when comparing the proportion of ad clicks to the number of impressions \((p > .05)\). We also find no difference in the cost per result by condition \((p > .05)\). Both conditions led to engagement from the target audience, therefore, we find support for H1. However, there is no significant difference in engagement or cost per result, so we do not find support for H2a.

The page likes campaign resulted in 4804 impressions \((n_{\text{High}} = 1847, \ n_{\text{Low}} = 2957)\) at an average frequency of 1.99. The campaign only resulted in two page likes in the high informative condition and none in the low informative condition. This difference is not significant \((p > .05)\) so we do not find support for H2b.

Study 2

Because there were so few engagements in the page like condition in the 8-day timeframe, an additional A/B test was set up for the business organization using a balanced lifetime budget of $150 for page likes rather than the $5 daily budget. This campaign started at the end of the semester and ran for 23 days and used the same ad designs as study 1.

Results and Discussion

This campaign resulted in 6439 impressions \((n_{\text{High}} = 3302, \ n_{\text{Low}} = 3137)\) at an average frequency of 2.26. The high informative condition resulted in 2 page likes while the low informative condition resulted in 6 page likes. The cost per result for the low informative condition was $8.33 while the high informative condition cost $25 per result. This difference is statistically significant \((z = -3.62, p < .001)\). This is counter to H2.

The proportion of likes to the number of unique clicks on the ad is marginally significant \((z = 1.67, p = .095)\). Combined with the findings of study 1, this suggests that the level of informativeness in the ad does not matter for engagement, however once the consumer clicks on the ad, they are more likely to like the page if the advertisement contains less information, not more. This is the opposite of what we predicted and seems to suggest support for a “click-bait” approach to advertising.

Study 3

Study 3 follows the same procedure as study 1, but the advertisements were created to promote an on-campus event for an all-women multicultural RSO. Interest and behavioral intention to attend the event were tracked using a Facebook event page. This advertisement was run using A/B (Creative Content: No Picture, Picture) test with an algorithm objective of event RSVPs at a set ad budget of $7.50 per day for five days leading up to the event. The design of the advertisements was meant to test whether the proportion of text in the ad has an impact on engagement outcomes. The no picture ad was designed to have approximately 36% text while the picture ad was designed to meet Facebook’s 20% text rule (Vrountas 2018). The text content in both ads was identical. The event was also promoted using boosts of the event post, physical flyers posted around campus, and word-of-mouth at a campus-wide event. Because it would be difficult to separate the effects of these other advertising channels, we only assess the Facebook RSVPs in our results.

Results and Discussion

A between-subjects pretest shows no significant difference between the two ads on informativeness nor entertainment \((p > .05)\). A within-subjects check shows that both ads were rated as more informative \((M = 4.89)\) than entertaining \((M = 3.90, t(70) = -4.177, p < .001)\), making them appropriate for the study. The ad with the picture was rated as more vivid \((M = 4.87)\) than the ad without a picture \((M = 4.09, t(71) = 2.005, p < .05)\). This suggests that adding a picture to an advertisement does increase vividness but does not create additional entertainment value.

This campaign resulted in 9313 impressions \((n_{\text{Picture}} = 4641, \ n_{\text{No Picture}} = 4672)\) at an average frequency of 2.51. The picture condition resulted in 11 RSVPs while the no picture condition resulted in 18 RSVPs, this difference is not significant \((p > .05)\). However, the cost per result in proportion to the total amount spent on the ad with no picture \((M = $2.25)\) was significantly lower than the ad with a picture \((M = $3.70, z = -6.106, p < .001)\). This suggests that increasing the vividness of an advertisement through the addition of pictures does not result in a so-called “vividness effect” on consumer engagement in the form of event RSVPs. In fact, the opposite occurs. We see an increase in engagement when the vividness of the ad is lower and the proportion of text in the design is higher than 20%, even when informativeness is
held constant. This is directly counter to the advice offered by Facebook to advertisers developing ads on their platform.

Study 4
Study 4 follows the same design as the previous studies but investigates the effectiveness of a motion-picture video versus a series of still shots from the same video. The information and text in the ads were held constant. The ads were both approximately 10 seconds long. The ad was run using an A/B test (Creative Content: Video, Stills) with a balanced $80 lifetime budget. The ad ran for 5 days.

Results
This campaign resulted in 7287 impressions ($n_{Stills} = 3808$, $n_{Video} = 3479$) at an average frequency of 2.54. The still shot condition resulted in 726 ThruPlays while the video condition resulted in 509 ThruPlays, when taken as a proportion of impressions, this difference is significant ($z = 5.040$, $p < .01$). We find support for H3.

Implications
This research contributes the understanding of how university organizations can create page content and advertisements that result in targeted engagement behaviors. We do see that advertisements, regardless of informativeness, entertainment, or vividness have a positive effect on engagement with organizational content. This is consistent with recent literature on social media engagement that was limited to survey results. We did not find support for informativeness of the ad leading to higher engagement and page liking behavior. The Zhang and Mao (2016) paper used a survey methodology to ask students about their social media behavior and purchase intentions. Research has shown that this type of self-report data about behavioral intentions and past actions is unreliable (Nisbett and Wilson 1977). Our findings actually indicate that less informative ad content leads to greater interaction with organizational pages that post regular informational content. Therefore, we were unable to confirm whether advertisement congruence with editorial content leads to greater social media engagement.

One possible issue with our findings is that the relevance scores assigned to our ads by the Facebook Ad Manager were very low. This suggests that our advertisements were not a good match for our selected target market. This may be due to the shift of the younger demographic away from Facebook and toward YouTube, Instagram, and Snapchat (Gramlich 2019). While it is true that a high proportion of social media users have a Facebook page, it does not seem to be highly utilized by the college-age demographic. Even if this is true, one approach to adjusting the target market now that we have run a few ads is to set up Lookalike Audiences (Facebook 2019c).

Even with its weaknesses, this research addresses some of the assumptions in the social media advertising community regarding the use of text and visuals in ads. Rather than text hurting the engagement outcomes of an advertisement, we find that the ad with more text outperformed a more vivid ad with less text. This research has relevant implications for businesses and universities, in general. Further research in this area has the potential to directly impact RSOs and campus communities through increased student involvement. Implementation of effective recruitment practices should lead to increased participation, membership, and funding for RSOs. Increased participation in student life should lead to greater involvement and inclusion throughout the university community. A sense of community has been shown to impact of student satisfaction, retention, and success (Dyer and McClellan 2002). By improving the performance of student leadership in RSOs, universities should be able to impact the overall campus community and improve student life and performance.

References


E-Marketing Mix Framework for Creating Online Brand Equity: An Indian Perspective

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Keywords: internet marketing, e-marketing, e-commerce, online retail, e-marketing mix

EXTENDED ABSTRACT

Research Objectives
To identify the relevant e-marketing mix elements used in the online context for the Indian e-commerce sector. Subsequently validate their relevance as constituents of online brand equity.

To develop and propose an overarching e-marketing mix framework, relevant for Indian e-commerce.

Method and Data
Mixed Methodology is adopted for this study. Content Analysis of the literature was done to identify e-marketing elements. The identified e-marketing mix elements were first reduced with the help of Expert opinion and survey. Next round of reduction was done by using factor analysis on data captured using an online survey. The questionnaire used consisted of 64 items, covering e-marketing mix variables was designed and administered to 467 customers. Further, the list was also confirmed with the help of confirmatory factor analysis.

Summary of Findings
The framework (C3IS) proposed by this study consists of five marketing mix variables namely added Customer value and benefit, website Content, Customer care and relationship, website Interactivity and website’s Security and reliability. Website speed appeared and confirmed as an important variable but has been dropped because any relationship between this component and any dimension of online brand equity could not be established. It can be conjectured that although Website speed of navigation” is one of the essential and basic elements of any e-commerce website, with the advent of technology and higher Internet bandwidth easily available to consumers, major e-marketing retail websites are technologically at par in terms of website speed Website speed required for a seamless experience is now a part of the core product and is not a differentiating factor.

Key Contributions
These e-marketing mix variables classified into primary and secondary dimensions based on their importance.

Primary dimensions: E-marketing mix variables viz. website Content and website’s Security and reliability are the two basic requirements for any e-commerce business to run. It can also be related with economic value, customer confidence on the website, technological and informational parameters.

Secondary dimensions: Customer care and relationship, and website Interactivity are the additional two e-marketing mix variables that add value to the basic offerings.

References are available on request.
Estimation of Allocative Externality and Advertiser’s Maximum Willingness to Pay for Online Advertisements

Pallavi Pal, Michigan State University

Keywords: online advertising, paid search, search engine, click-through rates, e-commerce, conversion rates, keyword ranking, auctions, nonparametric estimation, partial identification

EXTENDED ABSTRACT

Research Question
One of the main roles of advertising is to give their brand a competitive advantage over their rivals. This competitive advantage gained from advertisement decreases when rival’s ads are displayed next to your own ad. Thus, a firm’s value for an advertisement seems to be affected by the presence of other advertisements. This affect is referred as allocative externality in economics literature. The paper aims to estimate the effect of allocative externality on advertiser’s maximum willingness to pay per advertisement in the online advertising market. I estimate the externality affect for online search ad. I further estimate the advertiser’s maximum willingness to pay for an exclusive ad display. The research uses the estimates to construct counterfactuals looking at gains from a flexible ad pricing mechanism that allows advertisers to restrict number of other ads present on the same page.

Method and Data
This paper uses a novel data from a global search engine. It is a historical three-month period data containing all query auctions over 123 days from January 2008 to April 2008. During the time period of the data panel, the Yahoo’s advertisement design was the same as Google in terms of the pricing mechanism which is the generalized second price auction. An average of 18,700 searches took place every day in the time period of the data. I focus on impressions from the first page of the advertising result. The data has information on advertiser’s id and bid per period, it also gives information on how many times the bid led to winning an advertisement and the recorded consumer response to the advertisement (in terms of click). Two features of the data are noteworthy. First the bid and number of advertisers show significant variation over period. Second, I also observe the relative position of advertisements. The later helps in identifying externality from ads above and below, whereas the former helps in identification of distribution of willingness to pay.

I set up a two-step estimation method. In the first step, I estimate the effect of externality on advertiser’s bid and in-turn his willingness to pay. In the second step, I partially identify the bounds on the distribution of advertiser’s willingness to pay. I follow PA Haile and E Tamer (2003) methodology for partial identification of distribution. I further show how their methodology can be applied to more general setting. The counterfactual analysis uses the distribution estimates to provide possible solutions to decrease the impact of negative externality.

Key Contributions
1. Despite the growth of literature on online ad externality, little attention has been given to empirically estimate the indirect effect of externality on advertiser’s behavior. This paper focuses on these previously unexplored issues: effect of online ad externality on advertiser’s payment behavior and ad platform’s revenue.

2. A key contribution of this paper is that it looks at the equilibrium behavior under weaker information assumptions.

The empirical literature in sponsored search auction has looked at variants of full information, with few looking at uncertainty in the market. This paper relaxes full information assumption and looks at the optimal bidding behavior under incomplete information. To the best of my knowledge this is the first paper to relax this assumption in terms of
information about other competitors. The complication of the setting is dealt by looking at bounds that give us partial estimates for bidder’s value distribution.

**Summary of Findings**
The results show that the including one more advertisement decreases the bid of existing advertisers by 11% for top quality ad and the effect of addition of an ad above is double compared to adding an ad below. The distribution estimates for the advertiser’s willingness to pay are influenced by the externality. Not accounting for the externality leads to bias in the estimate for willingness to pay.

*References are available on request.*
Do Online Searches Influence Sales or Merely Predict It? The Case of Motion Pictures

Ho Kim, University of Missouri-St. Louis

Keywords: online search, movie revenue, influencer, predictor, prior perception of consumption risk, review disagreement

Description: This paper examines whether online search volume of a movie is an influencer its future ticket sales.

EXTENDED ABSTRACT

Research Question
Does the online search volume of a film influence its ticket sales, or does it merely predict the sales?

Method and Data
We propose instrumental variables that are correlated with a movie’s online search volume but do not affect its ticket sales. Specifically, we use variables that reflect moviegoers’ perception of consumption risk toward a movie prior to their moviegoing decisions. The intuition is that a movie signaling higher consumption risk will receive more online searches because moviegoers would want to resolve the consumption risk by acquiring more information about it—for example, using search engines. However, the perceived consumption risk toward a movie does not affect its ticket sales (Chintagunta, Gopinath, and Venkataraman 2010). To measure consumers’ perceived consumption risk of a movie before their moviegoing decisions, we use the standard deviation of user reviews of the past movies in which the focal movie’s director and its first-billing star were involved, among others. Our model consists of two equations where a movie’s weekly online search volume and revenue are the respective dependent variables. We exclude the instruments from the revenue equation to establish the exclusion restriction. We control for variables that are known to be correlated with the corresponding dependent variables. We apply the model to a dataset of 154 movies and estimate with the three-stage-least-squares method.

Summary of Findings
In the search equation, the prior perception of consumption risk toward a movie is positively associated with its online search volume. In the revenue equation, the coefficient of online search volume is positive. Combined, the two findings suggest that a movie’s online search volume is an influencer of its ticket sales. The analysis results suggest that a 10% increase in the opening-week online search volume leads to a 6.6% increase in the opening-week revenue, while the same increase in the prelaunch search volume1 leads to a 4.8% increase in the opening-week revenue. In subsequent weeks, a 10% increase in the weekly online search volume leads to a 1.7% increase in weekly ticket sales. In case that the prior perception of consumption risk negatively influences the ticket sales (for example, due to consumers’ risk-adverseness), our analysis underestimates the effect of online search on ticket sales; as such, this scenario only strengthens the notion of online search as an influencer of ticket sales.

Key Contributions
Our findings are highly managerially relevant given the motion picture industry’s heavy emphasis on prelaunch advertising. The findings imply that movie studios’ effort to maximize prelaunch online search volume is justified and should be encouraged as search volume influences, not merely predict, movie ticket sales. For example, movie studios should investigate prelaunch ad schedules to maximize prelaunch search volume for their movies (e.g., Kim and Bruce 2018). To researchers, our study suggests that con-

1We measure prelaunch search volume from sixty weeks before a movie’s release up until one week before the release.
sumers’ prior perception of consumption risk toward a product can be an instrument for its online search volume under the assumption that the perceived consumption risk does not influence its sales. This assumption is likely held if consumers’ prior perception of consumption risk toward a product is resolved through information acquisition—for example, through online search—in their purchase process. This scenario is plausible in the current digital economy as consumers can easily access abundant product information using search engines.

*References are available on request.*
How We Feel: The Role of Macroeconomic Sentiment in Advertising Spending-Sales Relationship

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Keywords: valence, uncertainty, macroeconomic sentiment, advertising spending, sales, market share

EXTENDED ABSTRACT

Research Questions
1. How do fluctuations in macroeconomic sentiment moderate the relationship between ad spending and brands’ sales?
2. How is this effect contingent upon the brands’ market share?

Method and Data
The data for the analysis comes from a variety of sources. First, we use sales data from Information Resources Incorporated (IRI). This data was collected and stored from retail scanners in a large number of groceries and drugstores over many U.S. regions. It contains weekly store-level information of the total sales in dollars, total unit of sales, package weight in pound, and in-store brands’ promotion strategies implemented through each item’s transaction in the salty snack and beer product categories for a period of twelve years (2001–2012).

We obtained advertising spending data from Kantar Media, which contained weekly advertising spending across TV, Radio, magazine, outdoor, online, and B-to-B between 2001 and 2012.

Sentiment measures were extracted from the Thomson Reuters Market-Psych Indices (TRMI). TRMI is created by mining the expressed emotions in millions of articles and posts from both traditional and online media channels each day (Sun et al., 2016). It contains both an overall sentiment score indicating the overall positive or negative valence as well as scores for discrete emotions such as uncertainty. The overall valence score ranges from −1 to 1, whereas a range from 0 to 1 is used for discrete emotions.

Finally, the consumer price index for food and beverage (CPIFABSL), which is the measure of the average change in the prices paid by consumers for food and beverage over the time, were collected from the U.S. Bureau Labor Statistics website for the period of 2001–2012.

Key Contributions
The current research provides several important contributions to marketing theory and practice. First, previous research has yielded controversial findings about the advertising spending-sales relationship. By considering macroeconomic sentiment as another influential factor in this relationship, we try to shed some light on the complexity of advertising effects and help reconcile previous conflicting findings. Second, the existing literature on advertising spending has typically focused on factual macroeconomic factors, such as recession and business cycle. By considering macroeconomic psychological factors such as valence and uncertainty in macroeconomic sentiment, the current research expands the role of the macroenvironment and offers a psychological explanation as to why macroeconomic factors such as recession may influence the effects of ad spending. Finally, from a practical perspective, this research suggests a need to consider readily available aggregate sentiment data in advertising budget allocation decisions and presents an opportunity for firms to leverage macroeconomic sentiments to increase the effectiveness of their advertising spending, especially for brands with a low market share.

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Summary of Findings

We found that the effect of ad spending on sales is stronger when the valence of macroeconomic sentiment is negative than when it is positive, and also stronger when there is a high level of uncertainty than when uncertainty is low. We further showed that the moderating effect of macroeconomic sentiment is stronger for brands with a low market share than brands with a high market share.

References are available on request.
The Causal Effect of Platform Free Promotion on Redeemers vs. Nonredeemers

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In today’s digital world, the development of information technology enables companies to track consumers’ online footprint throughout their shopping journey and present consumers with advertisements and promotional offers based on their past online behavior. In addition to web browsing behavior, search histories and social media activities, companies pay great attention to users’ responses to firm-initiated marketing activities, for example, click-through responses to ads and redemption response towards promotions. Coupon redemptions and advertising click-throughs are used as key outcome metrics to measure the success of online promotion and advertising programs. Companies use individual consumer’s click-through responses to ads and redemption response towards promotions in addition to other online behaviors to decide whether to target this consumer with personalized advertising messages or promotion offers (Boerman, Kruikemeier and Borgesius 2017).

An implicit assumption of treating redemption rate and click-through rate as key success indicators of promotion/advertising programs appears to be that the individuals with such behaviors are more likely to make a purchase or increase their spending on the promoted/advertised products. However, as some researchers have suggested that the success of a promotion offer may go beyond the profit made on purchases associated with coupon redemption (Sahni, Zou and Chintagunta 2017; Venkatesan and Farris 2012; Bawa and Shoemaker 1989) and web ads may also stimulate brand awareness, brand affinity, and purchase intentions effectively without click-through (Briggs and Hollis 1997).

In this research, we study the effect of digital promotion not only on consumers who redeem the coupon, but also on those who don’t redeem the coupon. Our empirical context focuses on promotion, but our method also applies to studying advertising effect on consumers who click the ad and on consumers who don’t click on the ad. To our knowledge, our research is the first in marketing to distinctively study the causal effect of promotion on redeemers and nonredeemers, assuming the promotion has a nonzero effect on nonredeemers. Being able to distinguish promotion effects on nonredeemers from redeemers would allow companies to think more broadly about their target consumers instead of only focusing on those who redeem the coupon. Redeemers and nonredeemers may respond to promotions in different ways through distinctive mechanisms. The marketing literature suggest that promotion offers have advertising effect or exposure effect beyond the promotion effect (Sahni, Zou and Chintagunta 2017; Venkatesan and Farris 2012). The distinction of different mechanisms of promotion effect on redeemers vs. nonredeemers would allow marketers to optimally target each group with appropriate offers.

Measuring the effect of promotion on redeemers and on nonredeemers is complicated by two sources of endogeneity: digital promotions are usually targeted based on users’ online behavior and the coupon redemption behavior is self-selected. A well-designed experiment in which the promotion is randomly offered towards consumers can overcome the first endogeneity problem caused by promotion targeting. However, estimating incremental sales on the random experiment data via a simple comparison of outcomes across those who received and redeemed the coupon, those who received but did not redeem the coupon and those who did not receive the coupon can lead to biased estimates due to the second endogeneity problem—consumers self-select into redeeming or not redeeming the promotion coupon. The econometric instrumental variables (IV) method uses the random assignment of coupon exposure as the instrumental variable to estimate the causal effect of promotion on...
redeemers (Imbens and Angrist 1994; Angrist, Imbens and Rubin 1996). However, one of the assumptions of the IV method is exclusion restriction, which states that the promotion has no effect on never-takers (in our case, nonredeemers) (Angrist, Imbens and Rubin 1996). In order to distinctively estimate the causal effect of promotion on redeemers and nonredeemers, we adopt the approach proposed by Imbens and Rubin (1997), which relaxes the exclusion restriction and allows us to examine directly average treatment effects for redeemers and nonredeemers.

Our empirical context is centered on free promotions offered by digital retail platforms. Examples of such platform free promotions include online education platform Coursera offering free class sessions that can be applied to its courses; digital gaming platform PokerStars providing free cash to new and current players, who can use it to play any game on the PokerStars website. Extant literature on free promotion has mostly focused on impact of free sample promotions on particular products that are being promoted. The literature has been silent on the effect of free promotion offered by a digital platform which can be used on any products on the platform. It is important to understand the effect of platform free promotion on platform spending because while a particular brand wishes to increase the sales of their own products through free sample promotions, the digital retail platform offers free promotions in order to achieve overall sales increase for the whole retail marketplace. Empirically testing the effect of platform free promotion on platform spending would provide policy guidance for the digital platforms on marketing promotion strategies.

We tackle the following three research questions. First, does the platform free promotion increase consumer spending on the whole digital platform? Second, does platform free promotion increase the platform spending of nonredeemers as well as the redeemers? Third, how does the platform free promotion change the purchase behavior of redeemers vs. nonredeemers, and in turn, change their spending on the platform?

We exploit a large-scale field experiment data on a major book-reading app platform. The experiment randomly assigned users into two groups: one treatment group offered with free promotion and one control group. In the treatment group, users were provided with a coupon code for additional ten free book chapters in an app notification. They can unrestrictedly use the coupon code on any chapters of any books on the platform during the promotion period. In the control group, users were not provided with any promotion incentive but rather with a placebo reminder notification message. The randomized field experiment allows us to measure the causal effect of platform free promotion on platform spending without running into the selection problem caused by targeted promotion. We then use the Imbens and Rubin (1997) approach to causally measure the effect of platform free promotion on redeemers and on nonredeemers. We show that instrumental variable approach and propensity score matching, the traditional methods of estimating local average treatment effect, underestimate the effect of promotion on nonredeemers. The rich tapstream data provided by the platform allows us to study the mechanisms of the promotion effect on redeemers and on nonredeemers.

Our empirical context is a major Asian digital reading app platform, which offers more than 500,000 mobile books and attracts over 250 million monthly active users. On the platform users can read the books from any digital devices—computers, tablets or mobile phones after signing up for an account with their phone numbers. The average book length is 179 chapters. The length of each chapter is one computer screen or 5–6 mobile phone screens. In each book, the first twenty chapters are free for all users. After that, to continue reading, users need to pay per chapter, usually at a cost of 0.12 RMB (about 2 cents USD). The chapters are not independent of each other. The content from one chapter to the next is usually consecutive, creating an incentive to pay for the later chapters after the first twenty free chapters. The e-books on the platform cover three broad genres—fantasy, romance, and nonfiction. Within these three genres, there are nine subgenres—historical romance, urban romance, youth and campus romance, historical fantasy, science fiction, mystery, nonfiction and biography, encyclopedia, and entertainment on the digital platform.

To understand the effect of platform free promotion on the purchasing of individual consumers, we conducted a field experiment on this digital reading app. In our experiment, the pretreatment period was from March 21 to April 24, 2017; the treatment period was from April 25 to April 26, 2017; and the posttreatment period was from April 27 to May 24, 2017. The app platform randomly selected a sample of users and assigned them into a treatment group and a control group. In the treatment group, users were provided an incentive with ten free book chapters. They received an App notification message saying “It is book reading season. You are offered a coupon of 10 free chapters.” The users in treatment group were offered a coupon code and could redeem the coupon code on any chapters from any books that would otherwise require payment. The coupon could only be redeemed during the two-day promotion period. In the control group, users were not provided with any promotional incentive but rather with a placebo reminder notification message. The control group notification message says “It is book reading season. Tons of interesting books are waiting for you.”
The app offers us tapstream/clickstream data with individual behavior on the app platform. In total, we have such tapstream/clickstream records from 22,418 mobile users (11,068 in the treatment group, and 11,350 in the control group). Each record includes the following information: user ID, time stamp, group membership (control or treatment), content information (e.g., book name, chapter name, book genre and subgenre), and payment information (i.e., free or paid). Before the promotion, an average user in our sample reads 21.5 chapters per day including 18.6 paid chapters and 2.9 free chapters from an average of 1.7 books.

For the outcome variables, our tapstream/clickstream data gauge consumer overall purchases by the total number of paid chapters read on the whole platform by each individual consumer on every day. To understand the mechanisms of the effect of platform free promotion, we study consumer search behavior by looking at the number of newly discovered books and the number of paid chapters read in newly discovered books. These newly discovered books are new to the consumer, but do not need to be new releases to the platform. We also look at the number of “old” books that each user read every day—the books that they have started reading before that day, and the paid chapters in old books that they read on that day.

We compare the pretreatment reading behavior between users who redeem the promotion coupon vs. users who don’t redeem the promotion coupon. Out of the 11,068 users in the treatment group, 442 redeemed the coupon. The observed redeemers in the treatment group dominate the observed nonredeemers in the treatment group on the daily reading of paid chapters, free chapters, number of books, number of new discoveries and number of subgenres (see Table 1). On average, observed redeemers visit the platform 1.33 day prior to the date of promotion, whereas the observed nonredeemers visit the platform 7.38 days prior to the promotion ($p < .000$). These metrics indicate that the observed redeemers are heavy users of the platform compared to the observed nonredeemers. The sharp differences between observed redeemers and observed nonredeemers point to the selection nature of the coupon redemption, suggesting the possibility of unobserved differences between these two groups.

Before we introduce our main model, we first use a difference-in-difference (DID) model to assess the effect of platform free promotion on the platform spending measured by the number of paid chapters read. We compare the platform spending of treatment group before and after the promotion with that of the control group users. We also investigate the instantaneous and lasting effect of platform free promotion. We estimate models of the following type:

$$y_{it} = \beta_0 + \beta_1 T_{reatment_i} + \beta_2 D_{uring_t} + \beta_3 A_{fter_t} + \beta_4 T_{reatment_i} \times D_{uring_t} + \beta_5 T_{reatment_i} \times A_{fter_t} + \theta W_{it}$$

In equation (1), $y_{it}$ is the dependent variable—platform spending for individual $i$ in day $t$. $T_{reatment_i}$ denotes whether user $i$ is in treatment group. $D_{uring_t}$ is whether day $i$ is during promotion and $A_{fter_t}$ is whether day $i$ is after promotion. Thus, the immediate promotion effect and lasting long-term promotion effect are captured by $\beta_4$ and $\beta_5$, respectively. We control for time-related and consumer-specific variables in $W_{it}$. The time-related control variables include how many days that day $i$ is from the starting day of the dataset and whether day $i$ is a weekend or holiday. The consumer-specific control variables are the pretreatment reading volume, i.e., the total number of chapters that user $i$ read before the promotion, and pretreatment variety-seeking tendency—entropy (van Herpen and Pieters 2002). The entropy measure is written as $E = -\sum_{g=1}^{G} s_g \ln s_g$, where $g$ is subgenre, and $s_g$ is the reading share of subgenre $g$ for user $i$. The higher the $E_i$, the higher the pretreatment variety-seeking tendency user $i$ has. The DID model is estimated using maximum-likelihood procedure.

Many randomized experiments suffer from noncompliance. In marketing literature, Gordon et al. (2018) describe a situation when users are randomly assigned into treatment group and control group. Users in the treatment group are supposed to see the digital advertising and users in the control group are not supposed to see the ad. However, some treatment group users may not be exposed to the ad due to their lack of online activity during the campaign period. Similarly, in our empirical context, the experiment group users are offered promotion, but they may not redeem the coupon. This is called one-sided noncompliance. We follow Gordon et al. (2018)’s exposition to describe the one-sided noncompliance problem.

Individuals are randomly assigned to treatment or control groups through $Z_i = \{0,1\}$, where individuals $i = 1, \ldots, N$. Whether treatment group consumers redeem the coupon is given by the indicator $W_i(Z_i = 1) = \{0,1\}$. Consumers assigned to the control condition cannot redeem any coupon, $W_i(Z_i = 0) = 0$. The random assignment to the treatment condition does not guarantee that a consumer redeems the coupon, such that $W_i(Z_i = 1) = \{0,1\}$ is an endogenous outcome. Given an assignment $Z_i$, and a treatment $W_i(Z_i)$, the potential outcomes are

$$y_i(0,0) = y_i(Z_i, W_i(Z_i) = 0) = y_i(Z_i, W_i(Z_i) = 0)$$

$$y_i(1,0) = y_i(Z_i, W_i(Z_i) = 0) = y_i(Z_i, W_i(Z_i) = 0)$$

$$y_i(1,1) = y_i(Z_i, W_i(Z_i) = 0) = y_i(Z_i, W_i(Z_i) = 0)$$

We partition the population the population of users by “compliance” behavior, where compliance means that the treatment is the same as the assignment. The combination of responses to
### Table 1. The Effect of Platform Free Promotion on Redeemers

<table>
<thead>
<tr>
<th></th>
<th>Redeemers</th>
<th>Nonredeemers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># of paid chapters</td>
<td># of new books searched</td>
</tr>
<tr>
<td>Intercept</td>
<td>14.75**</td>
<td>0.509**</td>
</tr>
<tr>
<td></td>
<td>(0.544)</td>
<td>(0.0494)</td>
</tr>
<tr>
<td>Weekend</td>
<td>–1.10**</td>
<td>0.0636</td>
</tr>
<tr>
<td></td>
<td>(0.383)</td>
<td>(0.0353)</td>
</tr>
<tr>
<td>Reading Volume</td>
<td>0.0210**</td>
<td>3.61e-04**</td>
</tr>
<tr>
<td></td>
<td>(9.65e-05)</td>
<td>(7.16e-06)</td>
</tr>
<tr>
<td>Entropy</td>
<td>–5.09**</td>
<td>1.08**</td>
</tr>
<tr>
<td></td>
<td>(0.435)</td>
<td>(0.0353)</td>
</tr>
<tr>
<td>Recency</td>
<td>0.673**</td>
<td>–0.0236**</td>
</tr>
<tr>
<td></td>
<td>(0.0542)</td>
<td>(3.82e-03)</td>
</tr>
<tr>
<td>Days from the</td>
<td>0.0161</td>
<td>4.27e-03**</td>
</tr>
<tr>
<td>beginning of data</td>
<td>(9.72e-03)</td>
<td>(8.66e-04)</td>
</tr>
<tr>
<td>collection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promo effect during</td>
<td>27.07**</td>
<td>–0.942**</td>
</tr>
<tr>
<td>promo</td>
<td>(2.33)</td>
<td>(0.170)</td>
</tr>
<tr>
<td>Promo effect 4 weeks</td>
<td>–0.897</td>
<td>–1.20**</td>
</tr>
<tr>
<td>after promo</td>
<td>(0.700)</td>
<td>(0.0508)</td>
</tr>
<tr>
<td>Notes: (i) The table shows posterior means along with posterior standard deviations in parentheses. (ii) ** Indicates significance at the 5% level for ICE and DCE parameters.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
the two assignments under one-sided noncompliance defines
the compliance behavior of unit i, denoted by \( C_i \):

\[
C_i = \begin{cases} 
\text{Compiler (i.e., redeemer)} & \text{if } W(Z_i) = Z_i, \text{for } Z_i = 0, 1 \\
\text{never – taker (i.e., non – redeemer)} & \text{if } W(Z_i) = 0, \text{for } Z_i = 0, 1 
\end{cases}
\]

Note the compliance types are not completely observable to
the researchers. For the consumers in the control group, we
don’t know had they been offered the promotion, whether
they would have redeemed the coupon or not. The compli-
ance types in the control group are therefore latent.

If the goal of the research is to look for the causal effect of
the assignment of treatment rather than the causal effect of
receipt of treatment, the standard intention-to-treat (ITT)
analysis should suffice, which usually involves a regression
type of analysis with \( Y_i \) as dependent variable and \( Z_i \) as inde-
pendent variable. Instead, if the goal is to find out average
treatment effect on the treated (ATT)—the effect of the pro-
motion on users who redeem the coupon, an instrumental
variable approach is often used to correct the endogeneity
bias caused by coupon redemption. Because users are un-
aware of their assignment status, the assignment affects
the outcome through coupon redemption. The random
assignment \( Z_i \) serves as an instrumental variable to recover
the ATT. The ATT requires an exclusion restriction \( Y_i(0,w) = Y_i(1,w) \), for all \( w \in \{0, 1\} \), such that assignment affects a
user’s outcome only through receipt of the treatment. Under
the one-sided noncompliance, \( Y_i(0,1) \) does not exist, in
which cases respondents are assigned to the control group
but receive the treatment. The exclusion restriction is then
reduced to \( Y_i(0,0) = Y_i(1,0) \), which means that the promotion
is assumed to have no effect on nonredeemers. This assump-
tion is clearly at odds with our research objective, which is
to measure the effect of promotion on not only the
redeemers, but also on the nonredeemers. For this reason, we
cannot use the instrumental variable approach.

Imbens and Rubin (1997) propose a parametric model that
relaxes the exclusion restriction. It models the conditional
distribution of the compliance type \( C_i \) given pretreatment
variables, and the conditional distribution of potential out-
comes given pretreatment variables and compliance type
(Hirano et al. 2000). Their model is built on Bayesian infer-
ence and imputes the latent redeemers and nonredeemers in
the control group, as illustrated in Figure 1. Incorporating
the compliance type in into the parametric model has two key
advantages. First, it relaxes the exclusion restriction discussed
in the previous paragraphs. Second, it allows us to examine
directly average treatment effects for subpopulations of
compliance types, such as redeemers and nonredeemers.

Next, we introduce our main model based on Imbens and
Rubin (1997) approach to causally measure the effect of plat-
form free promotion on redeemers and on nonredeemers. In

the first step of the model, we specify the conditional distribu-
tions of the compliance types: redeemers and nonredeemers.

(2) \( \Pr(C_i = \text{Redeemer}|P_i) = \frac{\exp(\alpha'P_i)}{1 + \exp(\alpha'P_i)} \)

(3) \( \Pr(C_i = \text{NonRedeemer}|P_i) = \frac{1}{1 + \exp(\alpha'P_i)} \)

where \( P_i \) is a vector of variables including an intercept, user
i’s pretreatment reading volume, pretreatment entropy and
recency to the promotion, i.e., the number of days before the
promotion that the user read any book on the platform.

We then model the conditional distribution of outcome given
the compliance types. Conditional on being a redeemer,
\( y_{it} = \beta_1^t X_{it} + e_1 \), where \( e_1 \sim N(0, \sigma_1^2) \), conditional on being
a nonredeemer, \( y_{it} = \beta_2^t X_{it} + e_2 \), where \( e_2 \sim N(0, \sigma_2^2) \). For the
independent variables \( X_{it} \), we include a during-promo-
tion indicator, an after-promotion indicator and all the
control variables \( W_i \) that we included in Equation (1).

Let \( W_i = 1 \) refers to redeeming the coupon, \( W_i = 0 \) refers to
not redeeming the coupon; \( Z_i = 1 \) denotes treatment group,
\( Z_i = 0 \) control group, the complete-data likelihood function is then

(4) \[ L(\alpha, \beta_1, \beta_2) = \prod_{i\in \text{observe}} \prod_{j\text{treatment}} \prod_{t\text{treatment}} \left[ \frac{1}{\sqrt{2\pi}\sigma_1 t} \exp \left( \frac{-1}{2\sigma_1^2 t} (y_{it} - \beta_1 X_{it})^2 \right) \right] \]

\[ \times \prod_{i\in \text{treatment}} \prod_{j\text{control}} \prod_{t\text{treatment}} \left[ \frac{1}{\sqrt{2\pi}\sigma_2 t} \exp \left( \frac{-1}{2\sigma_2^2 t} (y_{it} - \beta_2 X_{it})^2 \right) \right] \]

\[ - \prod_{i\in \text{treatment}} \prod_{j\text{control}} \prod_{t\text{treatment}} \left[ \frac{1}{\sqrt{2\pi}\sigma_1 t} \exp \left( \frac{-1}{2\sigma_1^2 t} (y_{it} - \beta_1 X_{it})^2 \right) \right] \]

Our estimation results reveal that the platform free 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. The effect of platform free promotion
on redeemers vs. nonredeemers reveal drastically different pat-
terns. Platform free promotion increases redeemers’ spending
on the platform during the promotion period, but their in-
cremental increase on spending does not last beyond the pro-
motion period. On the other hand, platform free promotion does
not change nonredeemers’ spending during the promotion,
but those nonredeemers actually increase their spending on
the platform within one month after the promotion. A closer
look into the mechanism reveals that platform free promotion
makes redeemers, who are heavy and recent users of the plat-
tform, to increase their purchases on the books that they have
been reading rather than on the books new to them. Platform free promotion also discourages redeemers from searching for books new to them during the promotion, which drives redeemers’ flat purchases after the promotion. For nonredeemers who are light users and have not visited the platform for a while, the platform free promotion increases their search activities during the promotion, which lead to the subsequent purchase increase after the promotion.

Our research contributes to the literature in the following ways. First, we are the first in marketing field to directly measure the causal effect of promotion on redeemers and on nonredeemers. Our method also applies to the measurement of advertising effect on consumers who click the ad and on consumers who don’t click on the ad. Being able to distinguish promotion or advertising effects on nonredeemers/nonclickers from redeemers/clickers would allow companies to think more broadly about their target consumers instead of only focusing on those who redeem the coupon or click on the advertisement. Second, we study the effect of platform free promotions on overall purchases on the retail platform, while the literature has been focused on the effect of free promotion on specific products being promoted. We find that platform free promotion has an instantaneous effect on redeemers which does not last beyond the promotion period, while the same kind of promotion does not have an immediate effect but does have a lasting effect on nonredeemers. Our findings suggest that platform free promotion works on both redeemers and nonredeemers, but the patterns of those effects are different. Third, we investigate the mechanism of the different effects on redeemers and on nonredeemers. We show that platform free promotion “deepens” redeemers’ purchase by increasing their spending on the products they have discovered before, while the same promotion “broadens” nonredeemers’ purchase scope by encouraging them to search for new products on the platform. Our findings provide deeper understanding of the “advertising” or “exposure” effect of coupon promotion that the literature has suggested (Sahni, Zou and Chintagunta 2017; Venkatesan and Farris 2012; Bawa and Shoemaker 1989). Our findings imply that digital retail platforms can enhance the profitability of the platform by targeting redeemers and nonredeemers differently.

References


Dynamics of Products on Social Tagging Network: Insights for Demand Forecast and Positioning

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Keywords: social tags, user generated content, product network, product positioning, sales prediction, concept maps

EXTENDED ABSTRACT

Research Question
Do user-generated tags associated with products help us to better predict product sales? Does the centrality of user-generated tags matter? More specifically, are tags of a high degree centrality more likely to boost sales? Or, are tags of a high clustering coefficient more likely to boost sales? Aren’t there distinctive differences in the role of user-generated tags between longtail products and top sellers?

Method and Data
We collected product-level information and tag community information for a sample of four hundred books in hardcover book category from one of the retail channels. The set of user-generated tags associated with products in our sample allows us to construct a cointerest network of products. We first define a time-varying bipartite network of products-to-tags. Then, we characterize the position of each product on the tagging network with three different measures: degree centrality, clustering coefficient, and betweenness centrality of a product on this network. We employ Panel Vector Autoregressive (PVAR) to test whether dynamics in the position of a product can explain dynamics in product sales.

Summary of Findings
We infer ideas, concepts, and beliefs linked to a product over time by tracking user-generated keywords associated with products and find that dynamics in user-generated keywords can predict dynamics in product sales. Specifically, we find that (1) products in long tail can increase sales by being strongly linked to popular keywords of high degree centrality and (2) top sellers can be better sellers by creating dense content clusters rather than connecting them to popular keywords. Our findings suggest that marketing managers better understand a user community’s perception of products and potentially influence product sales by taking into account the positioning of their products within social tagging networks.

Key Contributions
First, we show how the position of products on a perceptual map can be automatically acquired and quantified with the information contained in associative networks of user-generated tags. Second, the position of products on a perceptual map is found to have a distinctive value in predicting sales. We believe that our findings suggest that marketing managers can better understand a user community’s perception of products and potentially influence product sales by considering the positioning of their products within the network of content.

References are available on request.
Happiness as a Driver of Social Exchanges

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Keywords: social exchange theory, construal level theory, happiness, personalization–privacy paradox, reciprocity

Description: Building on both social exchange and construal level theories, this article investigates the extent to which happiness drives the personalization–privacy trade-off decision, as well as the moderating role of experience sharing frequency as a proxy for reciprocity.

EXTENDED ABSTRACT

Research Question
Prior literature investigating disclosure willingness tends to rely on cognitive frameworks, but we argue that marketers should attend to consumers’ affective states, which often guide their decision making. Disclosing information in return for personalization is a social exchange, for which the reward (i.e., personalization) occurs after a time delay. This temporal distance causes the decision-making process to be construed at an abstract level, which in turn implies that affective states likely have a central role. Reflecting these developments, we seek to combine social exchange theory with construal level theory to gain a better understanding of personalization–privacy trade-offs.

Methods and Data
In a collaboration with a large consumer panel provider, we administered questionnaires online, in November 2014, to a representative pool of French consumers. The resulting sample of 649 respondents is demographically representative, according to the French statistical office.

The measurement scales all came from prior literature. As recommended in prior literature, we assessed the measurement model by conducting a confirmatory factor analysis in AMOS. The model achieved good fit, and all the psychometric properties of the measures were satisfied: reliability, convergent validity and discriminant validity. The structural model was implemented with the PROCESS macro in SPSS, using the percentile method and 5,000 bootstrap samples.

Summary of Findings
With this study, we demonstrate that happiness has a positive effect on willingness to disclose information, because happier consumers focus more on the desirability of an outcome, even if an imperfect one. This affect-related construct even emerges as a potentially stronger driver of personalization–privacy trade-offs than the conventional, cognitive constructs reflecting trust and risk beliefs. In addition, we find that reciprocity exerts beneficial effects on the social exchange (i.e., paths from information collection concerns to willingness to disclose information in exchange for personalization;

Key Contributions
To the best of our knowledge, this study is the first to combine social exchange theory with construal level theory in a marketing context to investigate the central role of happiness in the personalization–privacy trade-off. Disclosing information to obtain personalization benefits constitutes a social exchange, in which the reward (i.e., personalization) is delayed in time. A social exchange inherently implies a long-term relationship, because of the temporal distance between entering into a social exchange and obtaining the reward. By leveraging construal level theory, we argue that affective states, such as happiness, have powerful effects on the personalization–privacy trade-off, specifically due to this temporal distance.

References are available on request.

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The Effects of Habit and Attitude on Facebook Usage

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Keywords: attitude, continued intention to use, habitual usage, self-disclosure, social-information seeking

Description: This study proposes a model for examining (in relation to Facebook) continued intention to use, social-information seeking and self-disclosure with habitual usage and attitude.

EXTENDED ABSTRACT

Research Question
This study addresses one research question: Do habitual usage and attitude have different impacts on continued intention to use, self-disclosure and social-information seeking? This research recommends a model to examine the associations between habitual usage and attitude, along with those factors. The findings furnish implications about the significance of habitual usage and attitude for Facebook usage intention, as well as related behaviors, and provide researchers and practitioners with new insights.

Method and Data
This study involved a group of undergraduates, aged 20 to 25 years. Given that most of this study’s measurement items came from relevant prior studies, and that the questionnaire in English was prepared. Based on over 400 data points, all items were tested with structural equation modeling. Partial least squares (PLS) was employed to assess the proposed research model.

Summary of Findings
Referring to the research question, two major findings emerged: (1) both habitual usage and attitude toward using Facebook affect users’ continued intentions to use and self-disclosure; and (2) habitual usage is the only factor that affects social-information seeking and does not relate to attitude and continued intention to use. Some scholars have shown that attitude is limited in its explanatory capacity of future behaviors, and they have therefore recommended that researchers extend research models to integrate habit-related factors (e.g., Law et al., 2016; Venkatesh et al., 2012). Honkanen and his coworkers (2005) explained that, if a strong habit develops, it would be that habit, and not attitude, guides behavior. This study shows that habitual ways of using Facebook affect users’ continuance usage intentions and related behaviors. Facebook was established in 2004, and some users may have a lot of experience using it. This may be one of the reasons that habitual usage exerts a greater impact than attitude does.

Moreover, some researchers have indicated that continued usage has been an important issue to Facebook as it represents its success (e.g., Basak and Calisir, 2015). The research finding supports the claim that continued intention to use is still one of the important factors affecting self-disclosure.

Key Contributions
This research may be the first paper to investigate the impacts of these factors in one study. This study not only enriches the extent to which prior studies identified and acknowledged the roles played by attitude and continued intention to use, but it also illustrates the influence of habitual usage. All of these research findings serve to enlarge the significance of the previous research as it bears on attaining a clearer understanding of the effects of these factors.

On the other hand, marketers should be more careful in formulating social media strategies. This study suggests that online marketers should avoid treating all Facebook users as if they were identical, and should prepare diverse kinds of strategies, particularly to understand different behaviors of their fan pages’ followers. More specific online targeting strategies should be used.

References are available on request.

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Affinity to Online Memory and Brand Loyalty: Analysis in the Light of Loneliness and Brand Categories

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Keywords: social-media, online-memory, brand loyalty, brand personality, brand novelty

Description: The study examines the extent to which certain key social-media features like online memories determine the degree of brand loyalty and identifies the factors which strengthen or weaken that effect.

EXTENDED ABSTRACT

Research Question
The present study compares two social-media platforms Facebook (most popular) and Snapchat (new but growing) on account of a key feature—importance of online-memory and investigates its impact on brand loyalty along with the key factors that moderate this effect. In our first study we identify loneliness as a possible antecedent (Larose et al., 2001; Fokkema and Knipscher, 2007) that drives adherence to online-memory which in turn determines extent of brand loyalty. Now, since Snapchat emphasizes ephemeral memories (temporary posts, pictures etc.) in contrast to Facebook which promotes saving and sharing memories (Rosen and Rosen, 2013), we hypothesize that the type of social-media user-ship will moderate the extent of brand loyalty.

Further, we know that switching behavior is positively correlated with variety-seeking (Givon, 1984; Trijp, Hoyer and Inman, 1996) which is likely to be higher among Snapchat users given their low levels of attachment with memories. Therefore in our second study we try to find if the preference for new versus established brands will differ across the platforms and influence the effect of memory importance on loyalty. Since, a greater match with individual personality and brand personality enhances brand involvement and purchase probability (Wang, Yang and Liu, 2009), here we also wanted to explore the preference for brand personalities (Aaker, 1997) across the platforms and to what extent it will moderate the effect of memory importance on loyalty.

Methods
In our first study, we used survey method among 100 MTurk participants 50 of whom were primarily Facebook users and 50 primarily Snapchat users. For each of these groups we measured their purchase pattern to gauge their extent of brand loyalty (“feel personally connected to the brand” vs. “Use brand only once or twice”). Further we also evaluate their motivation to use the respective platforms: whether (“to save memories,” “to have casual interactions” etc.) on 7-point Likert scale and their attitude to online memories by similar items for the two platforms (for example for Facebook “helps me relive moments” and “posts will remain in the timeline”; while for Snapchat “helps me live moment to moment” and “posts are temporary”). Additionally, we measured feelings of loneliness (“feel isolated,” “feel left out,” “lack company” etc.) on a 5-point scale (UCLA). We also controlled for age and gender.

The second study was conducted among 190 MTurk participants (95 primarily Facebook users; 95 primarily Snapchat users) where along with the measures used in the first study we also measured their preference towards brand personalities (scale for Big 5 personalities, Aaker 1997) and relative preference to new vs. established brands on 7-point Likert scale.

Summary of Findings
This study offers interesting insights for the users of the two social media platforms.

For further information contact: Satadruta Mookherjee, Binghamton University SUNY (smoookhe2@binghamton.edu).
First, there is a stark difference between lonely users of Facebook versus that of Snapchat—the lonely users of Facebook are attached to their online memories which in turn endorses greater brand loyalty, however this does not hold true for Snapchat users.

Secondly, Snapchat users are more variety seeking and looks for instant gratification, value durability less and tend to be more repertoire-driven as opposed to the Facebook users. Hence it is easy to market a new brand to Snapchat users whereas Facebook offers a better platform to build brand loyalty. Thus marketing strategies should differ accordingly while communicating with the two separate audiences.

Finally, the preference for brand personality differs among the users of the two platforms—while “sincere” and “competence” is preferred among Facebook users, “sophistication” charms Snapchat. Thus in terms of marketing it highlights the importance of taking into account the difference in mental setting while reaching out to these separate groups of social-media users.

**Key Contributions**

The key contribution of this study is that we establish a unique model which explores how loneliness can drive individual’s importance of online memory and consequently impact brand loyalty and how some of the factors like preference for new brand and brand personalities moderate this impact. In this study while reiterating the importance of memory among Facebook users as opposed to Snapchat users we emphasize that prioritization of online memory is higher given the extent of loneliness among the users and nurtures the extent of brand loyalty among their users. The study also helps in a clean segmentation of the users of the two social-media platforms—unlike Facebook users, Snapchat users looks for instant gratification and new options every day, value durability less and tend to be more repertoire-driven. Empirically we confirm that new brands are preferred among Snapchat users while Facebook users stick with established brands. Also in line with the inherent inclination of Facebook users towards attachment, we find that “sincere” and “competent” brand personalities are preferred more among the users which further strengthens loyalty. This offers a deeper understanding of targeting different social media audiences and an insight on how to strategize accordingly.

*References are available on request.*
Role of Emotions in Consumer Adoption of Augmented Reality for Purchase Decision

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Keywords: augmented reality, emotions, technology acceptance, adoption, conceptual paper

Description: The conceptual framework which captures consumer’s emotions associated with technology usage and seven propositions drawn from the framework are presented in this paper.

EXTENDED ABSTRACT

Research Question
Although there are many existing models to examine technology acceptance, there is no consistent theory that explains consumers’ emotion in terms of using a particular technology. There is no comprehensive theoretical framework to investigate consumers’ emotions associated with technology usage. Empirical researches have not sufficiently studied what kind of emotions are being evoked in the users’ interaction with Augmented Reality (AR). To fill such void, the present study includes emotions in the conceptual framework and examines the moderating effects of individual value and personality traits within the framework for AR application.

AR applications are gaining popularity among users due to the ubiquity of smartphones. Besides, the global positioning system (GPS) has also enabled the growth of mobile AR applications (Takacs, El Choubassi, Wu, and Kozintsev, 2011) in recent years. In particular, the AR game—Pokémon Go has become the most popular mobile game since it was launched in 2016. It is expected that the number of AR applications will continue to increase and AR users will be reaching 1 billion by 2020 (Marr, 2018).

Method and Data
To better comprehend the affective processes in technology usage and acceptance, we propose a conceptual framework that incorporates emotions to understand consumers’ feelings and thoughts when deciding whether to accept or reject a technology. To empirically test the conceptual framework and associated propositions, experimental method is recommended. According to Singh (2006, p. 138), “the purpose of experimentation is to identify functional relationships, among phenomena through staging the occurrence of certain outcomes under controlled conditions designed to prevent the confusing effects of the operation of extraneous factors.” Hence, this research design is deemed appropriate to identify causal explanations that elucidate consumer behavior related to AR. It is hoped that the suggested framework will lead to further empirical developments based on this proposed framework.

Summary of Findings
As mentioned earlier, a framework to conceptualize the emotions evoked by use of AR and its consequences is developed. Following set of testable propositions are developed:

P1: The positive emotions felt by consumers as a result of using an AR application positively influences their attitude towards using the AR application for purchase of a product.

P2: Attitude towards using AR application positively influences consumers’ desire to use the AR application for purchase of a product.

P3: Desire to use an AR application positively influences consumers’ behavioural intention to use the AR application for purchase of a product.

For further information contact: Pei-Shan Soon, PhD candidate, Sunway University and Lecturer in Marketing at Sunway College, Malaysia (peishans@sunway.edu.my).
Moderation effect of sociopsychological constructs:

P4: The greater the hedonic tendency, the greater will be the influence of felt emotions on attitude towards using AR application for purchase of a product.

P5: The greater the materialism, the greater will be the influence of felt emotions on the attitude towards using AR application for purchase of a product.

P6: The greater the social influence, the greater will be the influence of felt emotions on the attitude towards using AR application for purchase of a product.

P7: The greater the personal innovativeness, the greater will be the influence of felt emotions on the attitude towards using AR application for purchase of a product.

Key Contributions
Few implications for practitioners emerged from this study. First, the emotions under investigation in this study may be of importance in shedding insight for marketers in terms of enhancing interaction and their brand association. Marketers are encouraged to use psychographic segmentation to better predict consumer behavior based on their personal values and personality traits. The rich understanding on the effects of personal values, materialistic tendency, social influence and personal innovativeness could help marketers to enhance the design of AR applications and market their products using these applications to consumers.

From theoretical point of view, this study aims to contribute to the technology acceptance / adoption literature by developing a research framework that highlights the importance of emotions in use of AR. Empirical researches related to technologies have dealt with certain emotions, yet, examining the concept of emotions in full spectrum and investigating its impact on consumers’ attitude, desire and even intentions requires more efforts in diverse contexts.

References are available on request.
Culture’s Influence in Social Media Enabled Global Virtual Teams

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EXTENDED ABSTRACT

Research Question
How does culture moderate the interrelationships among online consumer xenocentrism, electronic Word-of-Mouth (eWoM), and overall project performance for global virtual teams in social media networked environments?

Method and Data
To test the conceptual framework, the X-Culture project was used to collect the data. X-Culture (www.X-Culture.org) is a large-scale international business collaboration and consulting project. About 800 GVTs participate in the project each semester, comprised of total of about 4,000 MBA, EMBA, and undergraduate business students and working professionals from all six continents. Working in GVTs where each member is from a different country, the project participants rely on technology, virtual communication, social media and eWoM platforms (e.g., WhatsApp, Facebook, Twitter, Snapchat, Google Hangouts, Skype, Google docs, etc.), and operate similar to their corporate counterparts. To conduct the multigroup analysis with PLS-SEM using power distance, uncertainty avoidance, masculinity, and collectivism as moderators, the sample was split into two groups. The first group consisted of developed countries—Italy and the USA; and the second group consisted of emerging countries of Brazil, China, Colombia, India and Malaysia.

Summary of Findings
For studying the moderating influence of culture (power distance, uncertainty avoidance, masculinity/femininity, and individualism/collectivism) between consumer xenocentrism and eWoM sharing in online social networks, we observed some very interesting results. We found that uncertainty avoidance do not impact the relationships for developed and emerging economies. On the contrary, we observed positive and significant moderating effect of power distance on relationships between consumer xenocentrism and negative eWoM sharing in online networks for developed economies. Further, we observed positive and significant moderating effect of power distance on relationships between xenocentrism and positive eWoM sharing in online networks for emerging economies. With respect to masculinity and individualism, we found positive and significant moderating effect of both masculinity and individualism on relationships between xenocentrism and negative eWoM sharing in online networks for developed economies. In contrast, we observed positive and significant moderating effect of femininity and collectivism on relationships between xenocentrism and positive eWoM sharing in online networks for emerging economies.

Key Contributions
To the best of authors’ knowledge, this study is among the first to examine the moderating role of culture in the relationship between xenocentrism, eWoM, and overall project performance for GVTs in online social media networked environments. While confirming some of the findings from previous studies, our study sheds light on important international business aspects of consumer xenocentrism, eWoM, culture, GVTs, and project performance in social media enabled online environments.

References are available on request.
An Examination of the Impact of Consumers’ Social Media Connectedness to Celebrity Endorsers on Purchase Intentions for Endorsed Products

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Keywords: celebrity endorser, social media, connectedness, parasocial relationships, receptivity towards message

Description: This study investigates the relationships between an individual’s connectedness to a celebrity, an individual’s likelihood of being connected to the celebrity via social media platforms, their receptivity towards a message from the celebrity, and the individual’s purchase intentions for a market offering endorsed by the celebrity.

EXTENDED ABSTRACT

Research Question
How does an individual’s connectedness to a celebrity impact their likelihood of being connected to the celebrity via social media platforms? How does an individual’s connectedness to a celebrity impact their receptivity towards a message from the celebrity? How does an individual’s connectedness to a celebrity through social media impact their receptivity towards a message from the celebrity and purchase intentions for a market offering endorsed by the celebrity?

Method and Data
The sample frame consisted of undergraduate students of a university in the southwestern United States (n = 386). The survey was offered online through Qualtrics. Data analyses consisted of running EFA, CFA, and SEM using AMOS 25 software for model assessment and test of hypotheses (including mediation analyses).

Summary of Findings
The findings indicate that individuals’ level of connectedness to their favorite celebrity is positively linked with both their receptivity towards the celebrity-endorsed message and purchase intention of the endorsed market offering. Moreover, the relationship between level of celebrity connectedness and social media connectedness is positive and significant. The findings also indicate the startling discovery that social media connectedness is negatively related to an individual’s receptivity towards the celebrity’s message and purchase intention of the celebrity-endorsed market offering. While technology may bring people closer together, strengthen the parasocial relationship, and increase interactions, this closeness and familiarity via social media do not translate into celebrity-endorsed message receptivity and purchase intention.

Key Contributions
This research contributes the stream of endorsement literature in two ways. On the theoretical side, the study links parasocial relationship theory and social exchange theory to celebrity endorsements to better understand consumer behavior. On the managerial side, the research findings have implications for organizations to consider when determining the most appropriate famous media personality for their brands.

References are available on request.

For further information contact: Gina A. Tran, Assistant Professor of Marketing, Florida Gulf Coast University (gtran@fgcu.edu).
The Numbers Game: Pricing in the Eyes of Consumers and Firms

**Numbers 1**

The Divergent Effects of Even and Odd Brand Names on Consumer Responses to Iterated and Noniterated Products

*Dengfeng Yan, Kris Qiang Zhou, Richard Gretz*  
NGA-2

Customer Participation in Pay-What-You-Want Pricing

*Seema Bihari, Ashwini K. Awasthi, Arvind Sahay*  
NGA-3

How to Frame Dynamic Prices: The Differential Effects of Different Framing Formats of Dynamic Prices on Customers’ Price Perceptions and Purchase Decisions

*Mila Vogelsang, Alisa Keller, Dirk Totzek*  
NGA-5

**Numbers 2**

Contract Preferences with New Entrant Entry Under Asymmetric Information

*Hao Liu, Gengzhong Feng*  
NGA-6

Reexamination of the IKEA Effect Using the Hedonic Pricing Method

*Chih-Ning Chu, Wenkai Zhou, Ting-Yuan Huang*  
NGA-8

Cookie-Cutter Competition: Multiproduct Firms Under Uniform Pricing

*Gianluca Antonecchia*  
NGA-9
The Divergent Effects of Even and Odd Brand Names on Consumer Responses to Iterated and Noniterated Products

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Keywords: alphanumeric name, numeric cognition, product iteration, innovation

EXTENDED ABSTRACT

Research Question
Numbering brands or products is very pervasive in technological categories. While previous literature has examined how consumers respond to products featuring large versus small numbers (Gunasti and Ross 2010), the present research complements this line of inquiry by investigating whether and how even versus odd numbered names may influence consumer product evaluations.

Method and Data
We conducted three experimental studies to demonstrate the divergent effects of including even and odd numbers in product names and the mechanism underlying it. In addition, we also conducted a secondary data analysis on both sales and rating score of video games to demonstrate that the effects actually materialize in real business setting.

Summary of Findings
Specifically, we find that for noniterated products, relative to even names, odd names, due to their association with dynamism, increase innovativeness perceptions, leading to more favorable product evaluations. However, when the product is a new generation of previous models (i.e., iterated), we found that even numbers will lead to more favorable response, because staticity communicated through numerical evenness will be interpreted as technological maturity whereas dynamism associated with odd numbers implies that the new elements might be premature and will soon be upgraded.

Key Contributions
This research extends two lines of marketing literature. First, it contributes to the literature on brand names especially research on numerical names. Specifically, while earlier studies have shown that numerical brand names can affect consumer judgment and preference through communicating magnitude (Gunasti and Ross 2010) and cultural meanings (Bellos 2014), we identify additional meanings that consumers can infer from numbers and demonstrate the implications of such meanings. Second, this work also adds to the numerical cognition research. While prior work in this area has examined numerical features such as precision (Janiszewski and Uy 2008; Mason et al. 2013; Thomas, Simon, and Kadiyali 2010) and fluency (Coulter and Roggeveen 2014; King and Janiszewski 2011), this research enriches this literature by investigating numerical parity, a very salient feature that has not been widely investigated. In addition, this work also highlights that the same symbolic meanings expressed by numerical property may influence product evaluations differently, depending on the specific situation. Specifically, our studies demonstrate that the implications of an even versus odd brand name for iterated and noniterated products are exactly the opposite.

References are available on request.
Customer Participation in Pay-What-You-Want Pricing

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Keywords: participative pricing, pay what you want, customer expertise, perceived control, mindset

Description: This study explores the role of customer expertise, perceived control, mindset, and price consciousness in influencing customer participation in pay what you want pricing.

EXTENDED ABSTRACT

Research Question
Pay what you want (PWYW) is a participative pricing strategy that gives total control to the buyer for deciding the price (auction, reverse auction, etc. being other types of participative pricing strategies). The buyer can quote any price more than or equal to zero, and the seller has to honor the offer. In a scenario, where an individual has to decide the price of an offering created by someone else, she undergoes psychological efforts to decide the price. Gneezy et al. (2014) have suggested that a customer may avoid buying from a seller using PWYW pricing, as she might be unsure of the price suitable for the offering, and she may not want to be guilty of paying a lesser amount.

Extant literature on PWYW has focused on customers’ willingness to pay. What would make customers choose PWYW price, or avoid such situations has not been explored. Borrowing from the cocreation literature, we define participation in PWYW as a deliberate customer choice to buy at PWYW Price. The objective of this study is to explore the effects of growth mindset, customer expertise, perceived control, and price consciousness on customer participation in PWYW pricing.

Method and Data
Mindset was manipulated in experimental research design, through two different hypothetical articles, each validating firm existence of one of the two mindsets (growth versus fixed). Perceived control was measured using a four-item scale, adapted from the shopping domain specific scale developed by Chandran and Morwitz (2005). Customer expertise was measured using a two-item scale developed by Auh et al. (2007). Price consciousness was measured using a four-item scale developed by Lichtenstein, Ridgway, and Netemeyer (1993). Customer participation in PWYW was operationalized by recording customer decision of choosing PWYW price over fixed price, in a scenario presented to them. A total of 108 postgraduate students participated in the study.

A hypothetical scenario of ordering a cappuccino in a cafe was presented to each participant. The scenario was that of a regular café, where they had a choice of visiting two counters with same products, but with different pricing—one with fixed price menu, and the other with PWYW price. Depending upon their choice, they were presented with either of the next two scenarios—counter with fixed price (which had an average of the prevailing café prices in the town), or counter with PWYW price. Logistic regression analysis was used for analysis.

Summary of Findings
An inspection of bivariate correlations revealed that the customer expertise and perceived control highly correlated with their interaction term (0.90 and 0.64 respectively). Further investigation of multicollinearity showed that the interaction term had a variance inflation factor of 90, indicating a high degree of multicollinearity. Moreover, the term did not affect the dependent variable, neither it was significant in the model (Exp (B) = 1.08, and p = 0.94). Therefore logistic...
regression was run again without the interaction term, and it was found that model fit did not change much, with Hosmer and Lemeshow Significance Test values being 0.66 and 0.60 for Model 1, and Model 2 respectively. Nagelkerke $R^2$ (0.25) remained unaffected, further justifying the exclusion of the interaction term. Moreover, the effect size of perceived control changed marginally, and it also came out statistically significant ($p = 0.03$). However, it showed a negative effect on customer participation in PWYW (Exp (B) = 0.16). Price consciousness, growth mindset, and customer expertise, showed a positive effect on customer participation, however, only price consciousness was found to be significant.

**Key Contributions**

While previous work on pay what you want has focussed on willingness to pay, this study has differentiated between participation, willingness to pay, and payments made in PWYW context. Intuitively, it may appear that the adoption of PWYW pricing is a critical dilemma for firms, while it may be an easy choice for customers, as customers do not stand to lose anything. However, more than a third of the respondents preferred to buy at fixed price rather than at PWYW, demonstrating the importance of participation in the first place.

Further, this study explored the effect of growth mindset, customer expertise, perceived control, and price consciousness on customer participation in PWYW. The results demonstrated the positive effect of price consciousness in the existing literature, price consciousness has been shown to affect customer’s payment behavior. The issue of payment comes only after customers decide to buy at PWYW, and the results imply that those customers who are price conscious are the ones who would be more attracted to PWYW price. This has an important implication for the practitioners. They need to specifically target such customer segments. However, our results are generalizable to products/services that are not high priced (as we used the context of visiting a café in our experiments).

Perceived control is shown to affect negatively, which is contrary to the hypothesized positive impact. The different results may be because of the context chosen for the study. Those with high control may not like to exercise their control in PWYW, for visiting cafés, which they might be quite familiar with, and would rather be confident and comfortable with fixed prices cafés. The lack of moderating effect of customer expertise on perceived control could also be because of the context (visiting a café). Perceived control needs further investigation, along with an investigation of an additional variable “desire to control.”

Though growth mindset and customer expertise behave in the hypothesized directions, the results are not significant. One reason could be the reduced size of the sample used in the analyses (50), as many respondents who demonstrated a moderate effect of experimental intervention were screened out. Mindset manipulation needs to be better developed for a stronger effect.

*References are available on request.*
How to Frame Dynamic Prices: The Differential Effects of Different Framing Formats of Dynamic Prices on Customers’ Price Perceptions and Purchase Decisions

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Keywords: dynamic pricing, price framing, price fairness, e-commerce

Description: We examine how companies should implement dynamic prices to mitigate negative customer perceptions and responses using different framing tactics.

EXTENDED ABSTRACT

Research Question
This research examines the differential effects of framing of dynamic prices as discounts as well as different consumption goals on customers’ perceived price fairness and purchase intentions. We particularly examine whether and under what circumstances framing of dynamic prices is advisable.

Method and Data
To test our research framework and hypotheses, we conducted an experimental study. We first distinguished alternative price framings offering the same value for money. In addition, we manipulated customers’ consumption goals. To manipulate price framing and consumption goal, we randomly assigned participants to one of the experimental conditions. We held all information, except the two manipulated factors (price framing and consumption goal) constant across the different experimental conditions.

Summary of Findings
Results of our experimental study show how framing of dynamic prices as discounts can ultimately lead to higher price fairness perceptions and purchase intentions. Dynamic pricing can lead to a delay of purchase as customers await the future price trend and possibly expect further downward price adjustments. Additional framing of dynamic prices as discounts may create a bargain feeling that leads to a higher purchase intention due to the increased effect of a limited special price campaign. Our study further implies that customers have lower purchase intentions when they pursue a hedonic compared to a utilitarian consumption goal. Especially when considering hedonic consumption goals, there is often no rational necessity to make purchase decisions immediately. However, by additional framing of dynamic prices as discounts, the consumers’ purchase intention may be increased.

Key Contributions
We contribute to previous literature suggesting that consumers tend to lower their purchase intentions in the context of dynamic pricing. We find evidence that the effectiveness of differential price framing tactics varies when dynamic prices are present. Moreover, our findings confirm prior research by showing that there are differential effects of promotions on consumer responses for hedonic versus utilitarian consumption goals.

References are available on request.

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Contract Preferences with New Entrant Entry Under Asymmetric Information

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Keywords: contracting design, contracting selection, asymmetric information, entrant encroachment

Description: The paper considers the franchise contract and two-part tariff contract and analyzes the supplier’s contract design and preferences for the retailers under asymmetric information.

EXTENDED ABSTRACT

This paper considers a supplier and two retailers (an incumbent and an entrant) and analyze the supplier’s contract design under asymmetric demand information. The incumbent can acquire actual demand information because he is the first one to enter the market. The supplier and the entrant cannot know the market size. We use the screening model to analyze the supplier’s optimal contract design for the retailers. Then we consider the franchise contract (FC) and the two-part tariff contract (TTC) and investigate the contractual preferences from the perspectives of the supplier, the incumbent, and the supply chain. We find that the supplier is better off under TTC whereas the incumbent prefers FC under high demand variation. The results show that the whole supply chain is more coordinating under TTC in most cases. We also analyze the influence of the entrant encroachment on the supplier’s contract design for the incumbent. In order to guarantee the incumbent’s participation, the supplier would offer lower wholesale price and less franchise fee to him. Interestingly, the supplier prefers to prevent the entrant from entering the market because the incumbent makes the supply chain more efficient.

Research Question

We consider a supply chain consisting of a supplier and incumbent. After the entrant observes the market with big growth potentials, he will enter the market. We assume the incumbent has an access to actual demand information while the supplier and entrant only know the prior probability of demand distribution. The two-state demand distribution has been adopted in this paper. We focus on how the supplier optimally designs the incumbent’s contract to induce the incumbent to reveal the actual demand information when the entrant may encroach upon the market. In addition, we analyze which contractual form can realize the “win-win” outcomes between the supplier and the incumbent, such as franchise contract or two-part tariff contract. We further analyze the impact of the entrant encroachment on the supplier’s contract design and distribution channel decision.

Summary of Findings

In this work, we find that the supplier always would offer a separating menu to the incumbent. Thus, the supplier has to pay some information rent to the incumbent, which prevents the high-type incumbent to mimic the low type. The supplier can acquire the actual demand information through observe the incumbent’s different actions. In addition, we find that the incumbent is better off under the franchise contract while the supplier prefers a two-part tariff contract under high demand variation. The results show that the whole supply chain is more coordinating under two-part tariff in most cases. In other words, the two-part tariff is more likely to realize the “win-win” outcomes between the supplier and the incumbent. The incumbent’s market share decreases as the entrant enters the market. In order to protect the incumbent’s interests, the supplier would offer a lower wholesale price and less franchise fee to the incumbent. Finally, we find that the supplier prefers to block the entrant from entering the market because the incumbent has more information superiority to make the supply chain more efficient.

Key Contributions

In practice, many new entrant retailers observe the market potentials and make decision of entering the market. Thus, entering new markets can bring many valuable issues, like facility location, capacity investment, pricing strategies, and
distribution channel, which has been studied by many scholars. However, a crucial issue is the supplier’s contracting design and selection with the new entrant entry, which has not been theoretically researched. In this work, we focus on this problem and the conclusions enrich the literature on supply chain management.

Through solving the problem, the supplier can induce the incumbent’s true information dissemination and improve the efficiency of the supply chain when the new entrant may enter the common market. In addition, we find the two-part tariff contract can reduce the conflict of the contractual preference between the supplier and retailers and lead to the “win-win” outcomes. These conclusions are valuable for a rapidly expanding industry, like retailing market, fast food market, apparel market, etc. The results also explain why the two-part tariff contract is more common in practice. Finally, we also research the supplier’s distribution channel and find that it is not necessary to sell the products to more retailers, which may lead to diseconomies of scale.

References are available on request.
Reexamination of the IKEA Effect Using the Hedonic Pricing Method

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Wenkai Zhou, University of Central Oklahoma
Ting-Yuan Huang, Feng Chia University

Keywords: IKEA effect, hedonic pricing, transaction data, willingness to pay

Description: This paper investigates the IKEA effect using the hedonic pricing method.

EXTENDED ABSTRACT

Research Question
In this research, we empirically examine the IKEA effect using the hedonic pricing method (a.k.a., hedonic regression) to further test previous conclusions derived from experimental methods. Our goal is to examine whether the previous conclusions regarding the IKEA effect will be supported by findings attained through this new approach, and also investigate if new findings will be uncovered as a result. Inspired by Norton, Mochon, and Ariely (2012) and Mochon, Norton, and Ariely (2012), we intend to utilize transaction data collected from jigsaw puzzle stores in Taiwan to carry out an empirical study using the hedonic pricing method.

Method and Data
In our study, we propose a proxy variable to measure ‘willingness to pay an extra amount’ (e.g., spending on frames) and examine the IKEA effect using transaction data. We ask the following question: will the increase of consumers’ labor input in piecing together self-assembly products (e.g., jigsaw puzzles) amplify their willingness to pay an extra amount on additional parts (e.g., jigsaw puzzle frames)? Transaction data on jigsaw puzzle and frame purchases was collected for the analysis. The data includes amount paid for each completed jigsaw puzzle and the additional spending on framing of the jigsaw puzzle. The hedonic pricing method was adopted because it allows us to estimate the monetary value of the final product based on the amounts that consumers are willing to pay for the original product (e.g., jigsaw puzzles) as well as for the related additional parts (e.g., jigsaw puzzle frames).

Summary of Findings
Similar to previous findings, our results suggest that consumers are willing to pay extra for self-assembly products (e.g., jigsaw puzzles) that are relatively more labor-intensive, as suggested by their increased willingness to spend additional money on related additional parts (e.g., jigsaw puzzle frames). In addition to previous findings, we discover that the strength of the relationship between consumers’ willingness to pay extra for related additional parts and the effort required to assemble the original product of interest may be attenuated by their proficiency in the assembling effort.

Key Contributions
Our findings conclude that a consumer’s level of proficiency in piecing together self-assembly products really matters. After consumers accumulate experience and improve their skills in piecing together self-assembly products, not only their willingness to pay for the self-assembly product (e.g., jigsaw puzzles) decreases, the price they’re willing to pay for the additional parts (e.g., jigsaw puzzle frames) also reduces.

The two main contributions of our research are (1) we validated extant studies using a different methodology (e.g., hedonic pricing vs. experimental methods), and (2) we uncovered the unique role that consumer proficiency plays in determining consumer perceptions concerning the monetary value of a self-assembly product, as well as the additional parts that can go with it.

References are available on request.
Cookie-Cutter Competition: Multiproduct Firms Under Uniform Pricing

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Keywords: uniform pricing, multiproduct firms, product-level productivity, biscuits, India, rural area, promotions

EXTENDED ABSTRACT

Research Question
How do firms compete in an industry where all firms must charge the same price? Are uniform prices optimal for both firms and welfare? This paper studies demand and productivity differences among products in an industry where multiproduct firms charge uniform prices.

Method and Data
We use Nielsen panel data on biscuit manufacturers in India, including over 700,000 observations covering 800 firms, 15,000 products divided into 12 segments. A unique aspect of our data is that the sales are reported at the state level by separating urban and rural areas. We examine the sources of heterogeneity that compose demand and supply in a uniform pricing industry. First, we focus on the relationship between productivity and prices, by estimating both quantity- and revenue-based measures of productivity and address the relative usefulness of both measures to examine competition in industries with industry-wide uniform prices. Second, we estimate the demand function of the biscuit industry controlling for characteristics of the local market, competition between-firms and between-products and promotions. We instrument prices using the quantity-based measure of productivity. Third, using the estimates of the demand function we are able to calculate demand if price strategies alternative to uniform pricing were implemented.

Key Contributions
First, this paper is the first to examine an industry-wide uniform pricing. We document the extent of uniform pricing and the nature of competition. Second, yet little empirical work examines the relation between prices and productivity at the product level, especially because the multiproduct nature of the firms must be taken into consideration. We estimate product-level total factor productivity building on the most recent methods, and including some innovation to solve for the so-called “product-scope bias.” We show that more productive products are sold at relatively lower prices. Third, we examine alternative price strategies and question about the optimality of the uniform pricing and its implication on welfare and inequality.

Summary of Findings
We find that firms compete by differentiating their products on nonprice characteristics, chief among them the weight of the product. Although firms are constrained in the prices they can charge, more productive firms offer more of the product for the same price, indicating that competition thrives even under industry-wide uniform pricing. We find that firms with a higher quantity-based productivity charge lower price per unit weight, indicating that more productive firms enjoy a higher profit margin. We also show that product scope influences the pricing strategy of the firm and that more productive products offer more value and volume promotions. Finally, our analysis shows that uniform pricing is not optimal and implies higher welfare loss and inequality, as it affects more the people living in the rural areas.

References are available on request.
UX Offline/Online: Managing Customer Experience and Value

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The Joint Process of Value Cocreation in the Airbnb Setting

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Keywords: value cocreation, customer-perceived value, value facilitation, customer participation, sharing economy

Description: This study examines the cocreation of customer-perceived values between customers and service providers in the sharing economy context.

EXTENDED ABSTRACT

Research Question
While the essence of value cocreation is the collaboration between the customer and the service provider, few studies have investigated the interaction between the customer and the service provider in the value cocreation process. Furthermore, whilst customer participation in the value cocreation process has been examined (Prebensen and Xie, 2017), limited research has explored value facilitation by service providers in this process (Ng et al, 2016). This is surprising given that the value cocreation literature has emphasized equally important roles of the customer and the service provider (Ranjan and Read, 2016). Therefore, our study addresses the following research questions:

RQ1: How does the interaction between customer participation and Airbnb value facilitation influence customer-perceived (a) functional value, (b) economic value, (c) emotional value, (d) green value, (e) social value, (f) epistemic value, and (g) ethical value?

RQ2: How does the interaction between customer participation and host value facilitation influence customer-perceived (a) functional value, (b) economic value, (c) emotional value, (d) green value, (e) social value, (f) epistemic value, and (g) ethical value?

RQ3: How does (a) functional value, (b) economic value, (c) emotional value, (d) green value, (e) social value, (f) epistemic value, and (g) ethical value influence customer satisfaction?

Method and Data
A two-stage survey was designed to recruit participants through Prolific Academic (www.prolific.ac). A purposive sampling method was utilized to select Airbnb customers. The first stage was the qualifying stage. Prolific Academic panel members who were U.S. citizens, over 18 years old, employed, and traveled abroad in the past one year were invited to participate. In total, 3025 respondents answered questions about their prior experiences with Airbnb when traveling. Among them, 437 respondents who reported to have stayed at an Airbnb accommodation in the last six months during traveling were invited to the follow-up study. A total of 384 respondents completed the second-stage survey (i.e., the main study questionnaire), among which 52 cases were discarded during the quality check process. The Partial Least Squares method (SmartPLS 3.0) was used to examine the reliability and validity of construct measures and to test the hypotheses on 332 valid responses.

Summary of Findings
First, we observed a positive interaction effect of customer participation and Airbnb value facilitation on the economic value. However, we did not identify any significant interaction effect of Airbnb value facilitation and customer participation on the functional value, emotional value, green value, social value, or epistemic value. We found that customer participation and Airbnb value facilitation have a negative interaction effect on the ethical value.

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Second, we observed a positive interaction effect of customer participation and host value facilitation on the functional value, emotional value, green value, epistemic value, and ethical value. However, we did not identify any significant interaction effect of host value facilitation and customer participation on the economic value or social value.

Third, we found that customer satisfaction with the Airbnb value cocreation process is positively affected by the functional value, economic value, emotional value, social value, and ethical value.

**Key Contributions**

This study advances the knowledge of the value cocreation process formed by the joint efforts of Airbnb guests, hosts, and the Airbnb platform. It also extends the theory of consumption values in the sharing economy context. The study adds to the value cocreation literature by conceptualizing and empirically examining value facilitation by Airbnb and the host in the guest’s value cocreation process. In particular, it is one of the first attempts to empirically investigate how a sharing economy system such as Airbnb assists the customer’s value creation. The study findings offer insights and theoretical support for Airbnb and the host in the value facilitation practice.

*References are available on request.*
Driving the New American Dream: Investigating Sharing Economy Worker Motivations

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Stephanie J. Lawson, University of Winthrop
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Keywords: sharing economy, access-based services, cluster analysis, service worker motivations

Description: This research seeks to understand the motivations of workers providing access-based services and the subsequent impact on job outcome status and satisfaction.

EXTENDED ABSTRACT

Research Question
The present research examines service situations in which individuals working for a sharing economy company act as independent contractors when providing a service. For example, Airbnb providers offer access to their homes, Doordash workers provide on-demand food delivery service, Wag provides on-demand dog walking services and TaskRabbit workers provide access to assistance for those needing help with everyday tasks. These service workers are important to examine because their situation differs from the traditional business model that is often studied. Sharing economy workers are independent contractors, not employees of the company. As such, these workers are not entitled to the same benefits that a regular employee would have, such as minimum wage, health insurance or retirement plans (Wiessner 2018). However, as independent contractors, sharing economy workers have the freedom to work whenever and however they want. Given the unique context of access-based services, and its growing importance in today’s services landscape, it is important to understand the way that this expanding workforce perceive their role as service providers. Thus, the purpose of this research is to understand the motivations of workers providing access-based services and the subsequent impact on job outcome status and satisfaction.

Method and Data
A survey was designed for individuals providing access-based services. Specifically, we adapted scales on perceived commerciality (Johnson 1999), entrepreneurship (Bolton and Lane 2012), identity appraisal (Laverie, Kleine, and Kleine 2002), status seeking (Eastman, Goldsmith, and Flynn 1999), self-congruence (Sirgy et al. 1997), integrity (Venable et al. 2005), organizational trust (Morgan and Hunt 1994), and product quality (Dodds, Monroe, and Grewal 1991) on job outcome status (Agrawal and Maheswaran 2005) and job satisfaction (Netemeyer, Maxham, and Lichtenstein 2010). The survey started with a brief introduction laying out the specifications for participation in the study and examples of companies that fit the criteria (e.g., UBER, Airbnb, GrubHub, Turo, Freelancer, Handy, Juno, TaskRabbit, Gigwalk, Postmates). Then each participant was asked to enter in the name of the company that they worked with and were informed that the questions that followed would be about that company. These procedures resulted in a final usable sample of 352 sharing economy workers. A two-step cluster analysis procedure was conducted in order to categorize sample respondents based on responses to the clustering variables (Punj and Stewart 1983). Respondents were assigned a label based on their job outcome status and job satisfaction toward working for a sharing economy company.

Summary of Findings
The cluster analysis identified a four-cluster solution as the most interpretable in terms of practical relevance. The four groups were labeled “Opposed Earners,” “Reluctant Earn-
ers,” “Determined Earners” and “Trusted Earners.” The Opposed Earners view the working relationship as one that is financially motivated since they do not appear to be aligned with the company, nor believe that it offers a quality product. They are working only for the financial reward and have very low levels of job satisfaction. Compared to the first segment, Reluctant Earners appear to be much more aligned with the organization, believe they are offering a higher quality product and tends to view the relationship as more than just about the money. Determined Earners view the relationship as financially based, but they are also much more aligned with the company than the other segments. In addition, this segment isn’t seeking status, which suggests that they are working to make ends meet rather than to splurge on luxury purchases. Lastly, the entrepreneurial nature of the Trusted Earners suggest they view the relationship as more of a partnership. This group is also high on status seeking, suggesting they are working not to make ends meet, but rather to make more hedonic purchases.

**Key Contributions**

The results of the present research have implications for sharing economy businesses seeking to maximize customer satisfaction. The results suggest that more satisfied workers tend to work for the company longer, work more hours, but don’t require the highest levels of financial compensation. Thus, it is critical that sharing economy platforms focus on hiring the right kind of person and retain top performing workers. With more and more sharing economy companies entering the marketplace, there is a greater demand for workers than ever before. While the goal of many sharing economy companies may be to hire Determined or Trusted Earners, that likely isn’t going to happen all of the time. Based on the results of the cluster analysis, a business is unfortunately more likely to hire an Opposed or Reluctant Earner, rather than one of the other two groups. Thus, the segmentation results provide insights into what managers can do to help ensure they hire the right type of worker, but also what can be done to help motivate a worker and move him/her to a better performing cluster.

*References are available on request.*
Spillover Effects of Home Sharing on Local Markets: Evidence from Local Tourist Attractions

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Wei Chen, University of Arizona  
Yong Liu, University of Arizona

Keywords: home sharing, sharing economy, spillover, destination marketing, difference-in-differences

Description: We investigate how the entry and supply expansion of home sharing affect the popularity as well as consumer experience of the attractions.

EXTENDED ABSTRACT

Research Question
Internet-based home-sharing services exemplified by Airbnb have been one of the most successful elements of the sharing economy. This paper examines an important yet largely unexplored impact of home sharing: the spillover effects on local tourist attractions. We address these research questions: (1) Does the entry and the supply expansion of home sharing affect the popularity of local attractions? (2) Does home sharing affect the consumer experience at local attractions? (3) Under what conditions are these effects more (or less) pronounced?

Method and Data
Using large-scale data of home-sharing properties and traveler reviews of local attractions, we leverage a quasi-experiment design based on variations in the timing of home-sharing entry and expansion across different attractions to estimate the spillover effects.

Summary of Findings
Home sharing generates higher demand for local attractions through capacity expansion. This increase is particularly pronounced for high-demand attractions and during peak seasons but is weakened in attractions which are surrounded by a higher concentration of traditional hotels. Further, home sharing elevates consumer experience at local tourist attractions, with the effect greater for high-demand attractions. Our point estimations suggest that each increase of one-hundred home-sharing properties is associated with an 8.1% increase in the number of traveler reviews of the attraction and an increase of rating by 0.08.

Key Contributions
Despite the increasing prevalence of home sharing, only recently has its impact on local markets started to receive research attention. While home sharing introduces flexible capacity to accommodate the volatile demand, its growth has also sparked a torrent of controversies. Our study contributes to the literature on sharing economy, platform-based markets, and destination marketing by uncovering how home-sharing services can impact local attractions’ popularity and consumer experience. Answers to our research questions not only inform the debate regarding the positive versus negative spillover effects of home sharing but also generate valuable insights into the marketing strategies of destinations and the public policy issues of home-sharing services.

This research provides several useful implications for practice. For instance, for the management of tourist attractions, our findings inform the destination planners’ decision on whether and how to utilize home sharing. Marketers of tourist attractions can and should support the “microentrepreneurship” of home sharing and create synergy between the attraction business and the host entrepreneurs. For the hotel industry, our findings add evidence to the impact of home sharing on hotels. We advocate that hotels take a proactive strategy to offer high-touch services by learning from home sharing.

References are available on request.

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Social Media Brand Posts and Online Customer Engagement

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Keywords: customer engagement, social media, brand page

EXTENDED ABSTRACT

Research Question
How can different brand pages influence customer engagement?

Method and Data
We collected survey data to explore what characteristics of a brand post can lead to favorable consumers’ attitudes and further turn into behaviors—engaging with the post, becoming a fan or a future purchasing.

Key Contributions
This research expanded the emerging theory of customer engagement to one of the important and popular engagement tools—social media. The present research further explores both the antecedents and consequences of customer engagement by applying customers’ perceptions to social media brand page context and proposing customers’ perception of content might affect their attitudes and ultimately lead to profitable behaviors. We also considered media characteristics—vividness and interactivity—along with their importance to attract users’ attention. This research also contributed to the literature by further developing customer engagement measurement in the context of social media.

Summary of Findings
The results indicated that more interesting, informational, and interactive post could attract more attention and more favorable attitude towards this post, and eventually lead to high engagement intention. Brand posts can be considered as effective communication tools to improve brand awareness. Brand pages may positively impact consumer attitudes and behaviors when members are induced to engage with them, exerting efforts after joining. The results provided certain support that brand pages can reflect the customers’ relationship, and brand fans can be considered as an important source of the loyal customers.

References are available on request.

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When Do the Best Service Agents Decrease Customer Retention? An Investigation of Online Service Platforms, Customer Defection, and Platform Exploitation

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Keywords: online platform, services, customer defection, hazard model

EXTENDED ABSTRACT

Research Question
Online service platforms (e.g. Amazon’s Home Services and Freelancer.com) represent a $50+ billion marketplace. Despite their significance, little research has discussed the nuances of service platforms. An increasing managerial concern is the opportunist behavior of service agents defecting with customers off the platform to avoid platform fees, a phenomenon we call platform exploitation. This current research guides managers on when platform exploitation is most likely.

Method and Data
We investigated one of the biggest nursing service platforms in China that connects nurses to patients in need of in-home nursing services. We conducted interviews with nurses who are offering services on this platform. Combining interview insights and theories, we further examined the actual transaction data between nurses and patients on this platform. We observe all the orders completed within a one-year timeframe. For each order, we observe order information, characteristics of service agent and customer he or she served. We adapt a multispell hazard model to incorporate a cure fraction (a fraction of individuals in the sample who will not experience the event again) to model what characteristics are associated with the probability of a patient leaving the platform.

Summary of Findings
Our results show that customers are more likely to defect with high quality and longer-tenured (how long the service agents have been on the platform) service providers. Furthermore, we find that higher priced services exacerbate the effect, likely caused by a greater desire to avoid larger platform fees.

Key Contributions
Our research extends the service literature and platform literature by applying extant theories to the new content of online service platforms. We introduce to the marketing literature the concept of platform exploitation and an understanding of the nuances of online service facilitation. Our research also has important managerial implications by providing an understanding on when platform exploitation is most likely. By understanding the key factors that lead to platform exploitation, managers can develop counteractive strategies to increase the value and loyalty to the platform.

References are available on request.

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Bridging Two Tales of Engagement: An Initial Meta-Analytic Review of Employee and Customer Engagement in Frontline Employee Research

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Keywords: employee engagement, customer engagement, frontline employee performance, Meta-analysis, service research

Description: This research meta-analytically investigates the relationship between employee engagement (EE) and customer engagement (CE) in frontline service contexts, and the mediating mechanism, employee performance, linking the two constructs, and proposes avenues for future research in this domain.

EXTENDED ABSTRACT

Research Question
This research seeks to investigate the extent to which FLE performance serves as a mediating link between FLE engagement and customer engagement in frontline service contexts.

Method and Data
Meta-analytic procedures are utilized to ascertain the magnitude of the relationship between FLE engagement and frontline employee (FLE) performance and between FLE performance and CE behaviors. The meta-analysis was conducted based on 35 independent samples linking FLE engagement and FLE performance and 14 independent samples linking FLE performance and CE, yielding 13 effect size estimates.

Summary of Findings
Overall, the meta-analytic results indicate that FLE attitudes and work behaviors serve as antecedents to a mutually beneficial service exchange with customer. Specifically, the findings suggest FLE work performance serves as an important mediator between employee and customer engagement. When engagement was broken down into its sub-dimensions of vigor, dedication, and absorption, results were similar. Additionally, this exploration expands researchers’ understanding of this mediating mechanism by considering the effects of two types of FLE performance, in- and extra-role performance. Results show a moderately strong positive relationship between in-role performance and a strong positive relationship between extra-role performance and customer engagement. This indicates the latter is more likely to result in CE and underscores the importance of FLEs going beyond required job responsibilities to meet and exceed customer needs.

Key Contributions
First, this research provides an interdisciplinary overview of the evolution of the employee and customer engagement
constructs and identifies their role in the current service literature. Second, this research integrates key theoretical frameworks, the Job Demands-Resources model and Service-Dominant logic, in explicating the nature of the proposed relationships. Third, the authors propose and empirically test a meta-analytical framework that identifies a mediating mechanism, employee performance, for the employee engagement to customer engagement relationship. This research extends previous meta-analytic efforts and bridges the multidisciplinary gap between management research on EE and marketing research on CE. In doing so, it provides an empirical link between employee and customer engagement, via frontline employee performance.

Fourth, this research explores the differential effects of two types of employee performance, in-role and extra-role performance. Fifth, this work outlines a research agenda for exploring various forms of engagement in interdisciplinary service contexts, underscoring the need for additional primary studies at the individual level of analysis, which include both employee engagement and customer engagement behaviors, and demonstrating that a great deal of conceptual/theoretical and empirical developments are needed to provide a more complete understanding of these two tales of engagement.

References are available on request.
The Effects of AI Chatbot Disclosure for Conversational Commerce

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Keywords: chatbot, artificial intelligence, mobile

EXTENDED ABSTRACT

Research Question
1. Will the disclosure of AI chatbot machine identity negatively impact customer purchases?
2. How would customers perceive AI chatbot as service agents facilitating purchase decisions?
3. How to mitigate the potential negative impact of chatbot disclosure?

Method and Data
We collaborate with a large Fintech company to conduct a randomized field experiment

Key Contributions
Our research makes several contributions. It is among the first to tap into the business value of emerging AI technology and enrich our understanding of the challenges of adopting AI chatbots. Extending prior studies on technology acceptance model (Davis, Bagozzi, and Warshaw 1989; Venkatesh and Davis 2000), our unique combination of survey data and voice-mining data identifies humans’ perception bias against machines as a critical factor that reduces customers’ perceived usefulness of AI chatbots.

Furthermore, we contribute to the broader discussion about man versus machines regarding how AI technologies replace or complement human workers (Brynjolfsson and Mitchell 2017). Our data suggest that the purchase rate in the worst chatbot disclosure scenario still stands at par with that of underperforming human agents (underdogs).

Summary of Findings
Our data suggest that undisclosed AI chatbots are as effective as proficient human workers in engendering customer purchases. However, the disclosure of chatbot identity before or after the machine-human conversation reduces purchase rates by 56% to 85%—a substantial loss of chatbot value. We also explore the underlying mechanism. While the subjective survey data suggest that disclosed chatbots are perceived as less knowledgeable and empathic than undisclosed chatbots, the objective voice-mining data on the conversation content from the same customers suggest no such gap. These results imply that the negative impact of chatbot disclosure is driven by a subjective human perception-based bias against machines, despite the objective competence of disclosed chatbots. Fortunately, such negative impact can be allayed by customer prior experiential learning of AI or a disclosure right after the purchase decision making—a disclosure timing strategy that enables customers to learn the full experience of interacting with the smart machine.

References are available on request.
When Beauty Comes to Your Home: Profiling the On-Demand Beauty (ODB) Consumer

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Keywords: ODB services, on-demand economy, customer profiling, attitudes and orientations, consumer-based strategy

Description: Applying a mixed-method approach, we develop an online survey of 629 ODB users and aware nonusers, profiling orientations, motives, and characteristics to inform consumer-based strategies and to test certain assumptions in this emerging field of on-demand services.

EXTENDED ABSTRACT

Research Question
The on-demand economy (ODE), an internet-based marketplace for trade, has expanded exponentially of late (Colby and Bell 2016). ODB is now a developing part of this economy. In contrast with the beauty products industry, dominated by blue-chip brands like Estée Lauder and L’Oreal, ODB is still relatively fragmented (Financial Times 2017).

Researchers have not examined in depth the ODB market or associated consumer characteristics and behaviors. ODE discourse generally classifies customer typologies based on technology acceptance, (e.g., NTRS 2016; 2017), illustrating the technology-oriented perspectives of many industry analysts and commentators. This led to neglect of the wider range of factors relevant to consumers, and the significant diversity of ODB customer characteristics.

Thus, we propose the research question: “In what ways do relevant constructs and attributes interact in helping to profile, target, and communicate with ODB services users?”

Method and Data
This study employs an exploratory, sequential mixed methodology. Preliminary qualitative data collection involved recruiting service reviewers to complete semi-structured reports. These helped to inform development of an online questionnaire involving new scale development and testing. The online consumer survey explores and helps to model attitudinal and situational characteristics associated with ODB adoption. Multiple precautions helped to minimize common method variance; Three post-hoc tests showed CMV to be low. Based on the Qualtrics survey platform and administered by a reputable panel provider, the survey achieved a final sample of 629 ODB users and aware nonusers, living in 21 large metropolitan areas of the USA, with access to at least three mainstream ODB providers.

Summary of Findings
Those who have already adopted ODB services are predictably more strongly oriented toward appearance and variety seeking, although the latter orientation is not significant in the multivariate analyses.

Commentators and some qualitative respondents mention price as a consideration, yet price consciousness is not significantly higher among the users. Many respondents offset the additional cost of ODB against savings of travel time.

Market mavenism associates strongly with being an ODB user, reflecting the relatively early adoption stage of ODB. It also reflects mavens’ liking for being sources of information on new products and services. This presents opportunities for companies to leverage this interest to recruit ‘brand ambassadors’ and influencers for their services.
ODB is most often an individual service, so offers greater privacy than most salons. However, desire for social approval is higher among ODB users, reflecting also a desire for perceived exclusivity and prestige.

Key Contributions
For the academic community, we address a major gap in the marketing and services literatures, specifically in the area of the ODE. The study increases understanding of the ODB industry and consumer, while challenging a number of existing assumptions. By presenting extensive foundational information and analyses, the research provides a basis for future investigations of many specific aspects of on-demand services adoption and usage.

For marketing practitioners, our study provides a more holistic view than previously available of ODB user characteristics, valuable for targeting and communicating with users and potential users. Much of the industry commentary and focus relates to technology aspects of ODB services: While important, this may lead to a myopic view of factors important to customer adoption and retention. Our research also challenges common assumptions regarding the demographics of ODB users, with important implications for ODB marketing strategy formulation.

References are available on request.
Gen Zs Vs. Millennials’ Value Perceptions and Satisfaction with a Retail Store’s Omnichannel Customer Experience

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Keywords: consumer innovativeness, perceived value, satisfaction, omnichannel customer experience

Description: A model of perceived value and satisfaction compares the frequency of usage and satisfaction with omnichannel commerce application for grocery/nongrocery shopping, finding this frequency more prevalent in the Millennials as compared to the Gen Z customers.

EXTENDED ABSTRACT

Research Question
Despite the benefits of omnichannel retailing and the growing popularity of omnichannel shopping, a dearth of research exists in the literature about consumers’ instore usage of omnichannel commerce application, the relationship of consumer innovativeness and perceived value of omnichannel shopping. Therefore, our study proposes a model and explores four research questions: (1) What are the effects of consumer innovativeness on perceived value of omnichannel shopping? (2) Does consumer innovativeness predict consumer usage of omnichannel commerce application in grocery and nongrocery contexts? (3) What are the perceived value factors that predict satisfaction with a retail store’s omnichannel customer experience? (4) Do consumers’ omnichannel shopping behavior and perceived value vary by age?

Method and Data
A questionnaire designed to test the model was created and administered to 201 undergraduate, graduate and executive MBA students at a Southern U.S. university. Participation in the study was voluntary and no incentives for participation were provided. A majority of the study’s respondents were single (69.4%), Hispanic (37.8%), and female (57.8%), aged from 18 to 38 with an average of 26 years of age [breakdown of age range: Millennial (51.7% ages 24 to 38) and Gen Z (48.3% ages 18 to 23)]. Most respondents have had omnichannel experience with consumable (50.3%) and non-consumable retailers.

The constructs in the questionnaire were adapted as follows: The perceived value of omnichannel shopping scale was adapted from the work of Hure et al. (2017) and the consumer innovativeness scale was adapted from Agarwal and Prasad’s (1998) technology innovativeness construct. Satisfaction with a retail store’s omnichannel customer experience scale was adapted from Hsu et al.’s (2006) study on online shopping experience, and the consumer usage of omnichannel commerce application measure was adapted from Oyedele and Simpson’s (2007) measure of intention and usage frequency of self-service technologies. With the exception of demographic variables, all of the scale items were rated on a 5-point Likert type scale.

Summary of Findings
Consumer innovativeness was significant in explaining perceived utilitarian, hedonic and social values of omnichannel shopping in both offline and digital contexts. Particularly, consumer innovativeness as an antecedent variable in our model is powerful for explaining the digital components of perceived value of omnichannel shopping, but relatively weaker in explaining the offline aspects of perceived value of omnichannel shopping. Additionally, consumer innovativeness disposition in Millennials result in a greater perception of hedonic value in the offline but not in the digital context.

The results also show that consumer innovativeness is a strong predictor of usage of omnichannel commerce applica-
tion in both grocery and nongrocery shopping situations. The effect of innovativeness on omnichannel commerce application was powerful in predicting omnichannel commerce application usage for grocery shopping for Millennials, but insignificant for understanding the Gen Z consumers’ usage of this application for grocery shopping. Lastly, the results show that consumers’ perception of offline utilitarian and digital values of omnichannel shopping are important predictors of satisfaction with omnichannel customer experience.

**Key Contributions**
The key findings on the effects of consumer innovativeness on both offline and digital utilitarian, and social value of omnichannel shopping show that Gen Z consumers have a higher perception of value for omnichannel shopping than Millennials. Additionally, the findings suggest the frequency of usage of omnichannel commerce application for grocery shopping is more prevalent in Millennials than in the Gen Z group. For marketing managers, the results about the effects of consumer innovativeness on perceived value of omnichannel shopping and age group analysis suggest there are opportunities to develop effective omnichannel branding strategies by segmenting and targeting consumers based on both consumer innovativeness dispositions and age.

*References are available on request.*
A Cross-Cultural Exploration of How Necessary Evil Discourages the Subsequent Misbehavior of Other Customers

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Ruping Liu, Northeastern University

Keywords: necessary evil, dysfunctional customer behavior, coping ability, culture

Description: This research utilizes a cross-cultural perspective to explore how necessary evil helps service providers stop the spreading of misbehavior from a dysfunctional customer to other customers.

EXTENDED ABSTRACT

Research Question
Service organizations frequently encounter customers behaving dysfunctional (Fisk et al., 2010). Because dysfunctional customer behavior can be contagious in nature, the spreading of such behavior from customers to customers is particularly problematic for organizations (Verhoef et al., 2009). Prior research (e.g., Schaefers et al., 2011) has primarily focused on examining the contagious effect of dysfunctional customer behavior in the setting whereby other customers and employees are absent, such as the context of access-based services. Our work contributes to this literature by further taking the presence of employees and other customers into consideration when investigating such an effect. We draw on social learning theory (Bandura, 1978) and propose that as an employee manages dysfunctional customer behavior with necessary evil (i.e., actions through which a frontline employees must knowingly and intentionally perform an act that causes unpleasant experiences or harm to certain customers to achieve greater good; Margolis and Molinsky, 2008), other customers are likely to learn that the employee is capable of coping such behavior, which implies that the behavior is inappropriate and would result in reprimand, and less likely to behave dysfunctionally. In addition, we expect that the impact of social learning from such encounter varies in different cultures.

Method and Data
We collected data from both American and Chinese customers through online research panel and received a total of 467 responses (i.e., 254 usable responses for the Western sample and 213 usable responses for the Eastern sample). Using critical incident technique, we asked participants across both samples to recall an experience of watching other dissatisfied customer(s) deliberately behaved in a dysfunctional manner in a retailing or hospitality context during the last six months and instructed them to complete a questionnaire that comprised the measure of necessary evil, perceived coping ability of the employee, DCB intention, and background information (e.g., gender and age).

Summary of Findings
Using PROCESS Model 58 with 95% confidence intervals and 5,000 bootstrap samples to examine the hypothesized relationships, we found that an employee’s use of necessary evil to respond to a dysfunctional customer encounter discouraged other customers from engaging in dysfunctional customer behavior through the perception that the employee was capable of coping such encounter. In addition, cultures played a moderating role as expected. For the American culture, the perception of employee coping ability had a significant and negative effect on witnessing customers’ dysfunc-
tional customer behavior. However, the negative effect was not found with the Chinese culture. The results of conditional indirect effect of necessary evil onto dysfunctional customer behavior through employee coping ability revealed the same pattern such the indirect effect appeared only in the Western culture as opposed to the Eastern culture.

**Key Contributions**
This study advances research on dysfunctional customer behavior by investigating how service providers can use necessary evil to manage dysfunctional customer encounters and how customers in different cultures respond differently. Also, it contributes to the necessary evil literature by examining the role of necessary evil in discouraging undesirable customer behavior and identifying the perceived coping ability of employees using necessary evil as a mechanism to explain the influence of necessary evil on customers. Lastly, it contributes to our knowledge of social learning theory by suggesting the role of cultures and thinking styles in moderating the effect of social learning.

*References are available on request.*
To Do or Not to Do? Exploring the Focal Role of Affective Well-Being in Customer Participation

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Keywords: customer participation, task-related affective well-being, satisfaction, transformative service research

Description: Using \(2 \times 2 \times 3\) experimental design, the study understands the mediating role of task-related affective well-being in the influence of types of customer participation on satisfaction. In addition, the study examines the moderation effect of customer knowledge and task complexity in the mediated path of customer participation—task-related affective well-being—satisfaction.

EXTENDED ABSTRACT

Research Question
The role of the customer varies between different types of participation (mandatory participation, replaceable participation and voluntary participation) during the service encounter, and the amount of effort required from the customer to experience the service may be different (Dong and Sivakumar, 2017), hence it calls for additional research to examine their effects. The study empirically tests a framework that examines the influence of types of CP on SAT and the mediating role of affective well-being (AWB) in that inter-relationship. Also, the level of knowledge a customer has regarding the service and the complexity of the task could potentially moderate the relationship, and hence the study examines the moderating effect of customer knowledge (CK) and task complexity (TC) in the mediated path of CP-AWB-SAT.

Method and Data
We used a \(3 \times 2 \times 2\) between-subjects scenario-based experimental design by customer participation (voluntary, replaceable and mandatory), customer knowledge (low vs. high), and task complexity (low vs. high) using a 12 versions of service encounter in an airline setting with 360 postgraduate students in Indian universities, 21-45 years old, both male and female, who have taken at least one flight on a budget airline in last one month. The sample would be drawn from the postgraduate student population in Indian universities with similar demographics (age, educational qualification, income) in order to ensure homogeneity across the different experimental groups. We developed several versions of scenarios and tested them with samples drawn from same postgraduate population as used in the main study to ensure that they could imagine themselves being in such situation in real life. The experiments were conducted in behavioural lab at the student’s university campus, where the participants completed an online survey. We randomly assigned 30 participants to each of the twelve conditions and asked them to complete a structured questionnaire. Measures for all the constructs were adapted to our context from well-established scales using a seven-point Likert format.

Summary of Findings
We examined the reliability and structure of all the scales using confirmatory factor analysis and internal reliability with AMOS 20.0. The measurement model shows a good fit.
\(\chi^2 = 75.124, \text{ df} = 30, \chi^2/\text{ df} = 2.504, \text{ RMSEA} = 0.065, \text{ SRMR} = 0.035, \text{ NFI} = 0.97, \text{ CFI} = 0.98\). The MANOVA test revealed a significant multivariate main effect for CP, customer knowledge and task complexity. The interactions effects CP \(\times\) CK, CP \(\times\) TC, CK \(\times\) TC and CP \(\times\) CK \(\times\) TC were also found to be significant. Next, we found significantly higher score of AWB and SAT for mandatory participation followed by replaceable participation and voluntary participation. Also, we found significant effect of CK on SAT for higher knowledge compared to lower knowledge. However, the effect of TC on SAT is not significant. The interaction effect of CP and CK for SAT and AWB has greater difference in SAT and AWB among mandatory, replaceable and voluntary participation for low CK compared to high CK. Similarly, the interaction effect of CP and TC for SAT and AWB has greater difference in SAT and AWB among mandatory, replaceable and voluntary participation for low TC compared to high TC. In addition, considering the three-way interaction effect between CP, CK and TS for SAT is found significant, whereas, the effect is insignificant for AWB. Hence, the interaction of CK and TC differs among the three types of participation for SAT. We used structural equation modelling with AMOS 20.0 to find the positive influence of AWB on SAT. Also, CP was found to mediate the relationship between CP and SAT and the value is higher for mandatory participation compared to replaceable participation and voluntary participation.

**Key Contributions**

When both CK and TC is low and for high CK and low TC, the preferred participation type is mandatory, for low CK and high TC voluntary participation will be better, and for high CK and TC replaceable participation could be adopted. The value remains similar for AWB, however when CK is high, AWB is similar across TC for both replaceable and voluntary participation. The result aids managers to better understand the influence of CP on AWB and to identify the best type of participation customers should undertake, within a given context. Similarly, managers will be at an advantage if they are able to envisage the influence of AWB on SAT thereby deciding on the optimal way to structure their service offerings that involve customer inputs into the service. The differential effect of CP on SAT would enable the managers in understanding the appropriateness of CP types in the various service contexts. The framework helps managers to understand the demands of the customer far better and in a more enriched manner—helping them to effectively design the type of participation for a given outcome. In addition, the framework includes the interventions of CK and TC. The firm can focus on giving more awareness to customers on the modes of participation, and/or could make the participation process easy and to minimize the need for extra (or un-necessary) knowledge, and measures could be taken to simplify TC in the required context. Finally, we hope the results would help motivate service providers to identify the best-suited participation process helping them to maintain positive well-being considering the complexity of the task and the customers’ knowledge about the task to enhance the customer satisfaction.

*References are available on request.*
The Role of Sports Events in Boosting City Brand Equity: The Case of Egypt: A Working Paper

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Ehab AbouAish, Cairo University

Keywords: sports marketing, place branding, city branding, Egypt

Description: This paper sheds some light on the importance of exploiting sports events in boosting host city brand equity.

EXTENDED ABSTRACT

Research Question
1. How to constitute image congruence through fitting host city brand identity with sport event marketing communication?
2. What is the impact of congruence between host city brand identity and sport event image on both host city brand attitude and host city brand equity?
3. Does past experience with event plays a moderating role on the relationship between congruence and city brand equity?

Method and Data
The mixed methods approach will be followed. First, qualitative exploratory research will be employed. In-depth interviews will be conducted with sport fans as well as sports and tourism marketing experts to gain further insight about their view of the subject area and identifying how to form image congruence between host city and sporting event. In this stage, open ended questions will be asked to gain further insights about their perception of dimensions of city brand identity, how to associate host city brand identity with sport event marketing communications, to what extent this association could affect image congruence, the expected impact of image congruence on both host city brand attitude, and host city brand equity.

Second, the research follows the quantitative approach to test the specific hypotheses and investigate the relationships among the previously outlined constructs. An experimental design using controlled scenarios will be conducted. In particular, study (1) will be conducted to examine the direct impact of image congruence on city brand attitude and city brand equity and the mediated impact of city brand attitude on city brand equity. In study (2), it is proposed to replicate the main effects of study (1) and test the impact of moderating role of past experience with event.

Key Contributions
Theoretically, this research attempts to fill the gaps in the tourism marketing and sport events literature by conceptualizing the above-mentioned constructs and proposing a model that depicts the relationships between them. In addition, it contributes to a better understanding of how sport events work from a broader branding perspective, and how they contribute to the improvement of brand equity. Furthermore, this research will be applied in a new Egyptian context, in which very little published research was undertaken to address these constructs in sport marketing context.

For sport events and tourism marketers, this research is expected to draw conclusions that help them better make their marketing decisions when hosting sport events; in particular, Egypt has won the honor of organizing the 2019 African Cup of Nations and the 2021 World Men’s Handball Championship. It may help marketers constitute image congruence between the host city and sport event that can be employed for communicating and promoting the host city.
Additionally, it sheds some light on the importance of the image transfer process that can be utilized in reinforcing the positive attitudes or altering the negative ones towards the host city. Moreover, it demonstrates how sport events should be regarded as marketing tools that contribute to build brand equity.

References are available on request.
Telemedicine: A Service-Dominant Logic Perspective: A Conceptual Paper

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Keywords: service dominant logic, service innovation, value cocreation, service experience, customer value, telemedicine

Description: This research adopts service dominant logic perspective to conceptualize telemedicine service.

EXTENDED ABSTRACT

Research Question
1. How does telemedicine work according to service dominant logic perspective?
2. Is there a positive relationship between service innovation and customer value in the context of telemedicine?
3. Do value cocreation and service experience play a mediator role on the relationship between service innovation and customer value?

Key Contributions
Theoretically, it would attempt to fill the gaps in the literature by conceptualizing these constructs and proposing a model that depicts the relationships between them. Additionally, it attempts to test the service dominant logic in a new context. In particular, proposed research seeks after the study of variables that are argued to impact the parties exchanging the healthcare service; the establishment (service innovation), the customer (customer value and service experience), and the interchangeable relationship between both parties (cocreation). Working on all these angles simultaneously, it is expected to upturn the quality of healthcare service.

There are also some managerial implications of this research. It sheds some light on the importance of designing the service experience the hospitals should do to fulfill their clients’ expectations. It may help the hospitals in building brand equity also that nowadays plays a major role in any service establishment marketing. Moreover, Understanding value from the patients’ perspective can provide useful information for allocating resources and designing programs which adapts the environment of the hospitals to their needs that in turn results in increasing their satisfaction.

References are available on request.
Service Brand Experience: A Qualitative Research Approach

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Keywords: brand experience, services marketing, service brands, customer experience, service brand experience

Description: Based on a qualitative research approach, the objective of this paper is to discover dimensions and components of service brand experiences.

EXTENDED ABSTRACT

Research Question
Providing customers with unique experiences is a decisive target to ensure corporate long-term success in competitive industries (Lemon and Verhoef, 2016). Recent research indicates that less than 25% of customers believe that service organizations are providing excellent experiences, although consumers suggest that experiences are at least as important as the service itself (Morrison and Crane, 2007). In order to develop successful marketing strategies for goods as well as for services, it is critical to understand how consumers experience brands (Brakus, Schmitt, and Zarantonello, 2009). The objective of this paper is to discover dimensions and components of service brand experiences. Present research shows that consumers seek brands providing unique experiences. Although existing concepts already provide deep insights and help to understand how consumers experience brands, the differences between product and service brands, focusing on the specific characteristics of services, need further investigation. Especially in service industries a deep understanding of brand experience is of fundamental importance for companies.

Method and Data
Based on 20 in-depth consumer interviews, this study outlines peculiarities of service brand experiences, while evaluating the applicability of existing models and highlighting the importance of relationships and processes for the experience of service brands. Qualitative interviews were conducted face-to-face in German language and recorded using audio recording software from April to August 2017. To the author’s knowledge, investigations to understand the concept of service brand experience (further referred to as SBE) from a cross industrial, qualitative perspective, have so far not been addressed. Previous studies refrained from a qualitative analysis of SBE, particularly from a cross-functional perspective (Khan and Rahman, 2015; Nysveen et al., 2012). The average duration of the consumer interviews was 41.57 minutes. Data analysis was carried out using MAXQDA software (see also Kuckartz, 2014). Each interview transcript was coded independently by two coders in order to obtain an objective evaluation of data. After the separate evaluation of the consumer interviews, the intercoder reliability was determined. The coefficient of inter-coder agreement between the evaluations of the two encoders reached 82 percent and hence even exceeded the required value of 0.8, which is necessary to describe a study as reliable (Kolbe and Burnett, 1991; Lombard et al., 2002).

Summary and Findings
Apart from the existing components, the interviews reveal two additional dimensions of SBE in addition to the existing dimensions of brand experience: The two determinants include interactional and processual experiences. In a service setting, interactional experiences are of particular importance. Interactional experiences do not refer directly to the provided service, but pertain to the contact between service provider and customer as well as the way in which the behaviour of the brand representative appeals to the customer (Czepiel, 1990; Solomon, Surprenant, Czepiel, and Gutman, 1985). Personal service encounters between customers and service employees appear to be of utter importance for the brand experiences. The qualitative study underlines the high influence of trust, empathy, proficiency, appearance, customer care and commitment on the interactional experience of the brand. In addition, the interviews unveil the importance of processual experiences. Processual
experiences are reflected by proactivity, velocity, attainability, problem solving ability, flexibility, reliability and transparency. The two newly discovered areas of SBE are also in line with the findings of Parasuraman et al. (1988), including tangibles, reliability, responsiveness, assurance and empathy in their scale for measuring service quality also emphasizing the importance of service employees.

**Key Contributions**
The qualitative study contributes significantly to existing brand experience as well as service literature. Six determinants, including 24 categories, characterizing SBE have been identified: sensory, affective, behavioural, intellectual, interactional and processual. The importance of the four brand experience dimensions introduced by Brakus et al. (2009), including sensory, affective, behavioural and intellectual experiences can be largely supported by the findings of the present study for service. Based on the findings of the qualitative study, new components of SBE are unveiled. The cross-industrial approach incorporates the unique characteristics of services that delimit services of products. Furthermore, the findings indicate that the value that consumers attribute to the individual dimensions strongly depend on the industry, the complexity of the service itself and the personal involvement. The study highlights that service brand experiences are highly dependent on the industry itself. Especially, for high involvement services, such as personal emergencies, the interactional as well as the processual dimension seem to prevail in comparison to the other determinants of SBE.

*References are available on request.*
Effect of “Hidden” Messages in Service Encounters on Customer Satisfaction and Moderating Role of Regulatory Focus

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Keywords: extraordinary services, hidden messages, service encounters, customer satisfaction, regulatory focus

Description: Please provide a one (1) sentence description of your paper.

EXTENDED ABSTRACT

Research Question
Recently, the use of “hidden messages” in service encounters is notable. However, traditional communication theories have emphasized that communications are intended to be informative and accurate. When messages are “hidden,” how does it influence customers’ satisfaction toward service experience? In the experience economy, where staging experiences is equal to if not more important than creating high-quality goods or services (Pine II and Gilmore, 2011), hidden messages may play more important roles. For instance, the menu in many Michelin-starred restaurants provides only a list of ingredients in an attempt to light a fire of expectation. While some customers are delighted with such a menu, others are intimidated by not knowing what the dish might be. In fact, a food writer severely criticized chefs and suggested that chefs need to write menus to help customers make decisions in ordering and not flirt with list of ingredients (Lethlean, 2017). In this paper, we investigate how hidden messages in the service encounter affect customer satisfaction.

Method and Data
Using experiments and a survey, we theorize and demonstrate that the consumers are satisfied with the service experiences involving hidden messages; however, the effects depend on the consumer’s regulatory focus.

Study 1: We used a mini “live in HD” kabuki (the Japanese traditional play) setting to employ a more consumer-relevant environment than artificial stimuli and procedures. Participants were randomly assigned in a 2 (message: hidden versus disclosed) × 2 (program: Kanjincho versus Terakoya) between-participants design. The participants were 146 Japanese students. Participants’ regulatory focus was measured using the Behavioral Inhibition System and Behavioral Activation System (BIS/BAS) scales (Carver and White, 1994) and their levels of overall satisfaction with the experience was measured using three items: “satisfied,” “enjoyed,” and “dissatisfied.”

Study 2: The procedures used were similar to those in Study 1. The participants were 173 Japanese students. In addition to regulatory focus and overall satisfaction, surprise was measured on a single item (Valenzuela, Mellers, and Strebel, 2010).

Study 3: Japanese consumers who had experienced both hidden and disclosed messages in the same product category were surveyed. Sushi restaurants were chosen as the focal product category. The respondents included 352 consumers. Again, regulatory focus and customer satisfaction were measured.

Summary of Findings
Promotion-focused consumers are more satisfied with the service experiences having hidden messages, whereas prevention-focused consumers are more satisfied with the service experiences having explicit messages. Furthermore, we demonstrate that surprise mediates the interaction effect of hidden messages and promotion-focused consumers on satisfaction.

Key Contributions
With increased competition in the marketplace, creating differentiation is a challenge. To attract customers’ attention and interest, marketers may decide to hide messages.

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The findings of this article contributed to the existing literature in several ways. First, we extended the literature on communication and persuasion in consumer behavior. Few consumer behavioral studies have explored the effects of less direct, less clear communications; however, previous research has focused on communication ambiguity in print advertisements. The present research identified that hidden messages in service encounters also affects consumer behavior.

Our research also showed how service providers design service encounters and how customers’ psychological tendencies have an interactive effect on customer satisfaction. Most classical customer satisfaction models, including the well-known American Customer Satisfaction Index Model (Fornell et al., 1996), do not include customer characteristics. However, this study showed that customer satisfaction with the same service could differ depending on the customers’ regulatory focus.

From a practical perspective, these findings will enable service providers to design their service experience to induce high satisfaction. Frontline research remain to be an important research agenda (Rafaeli et al., 2017). Gaining a better understanding of the conditions that affect customer satisfaction is of critical importance for service providers.

References are available on request.
Frontline Employee Team Consensus, Commitment to Service Quality, and Customer Experience

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ABSTRACT
The study finds that frontline employee team shared values consensus moderates the relationships of various team-level employee attitudes and increases FLE team commitment to service quality, which can lead to improved service quality, customer experience, and business performance.

Keywords: team consensus, employee commitment to service quality, shared values, job satisfaction, role ambiguity, frontline service employees

Description: The study results indicate that frontline employee team shared values consensus plays a role in improving service quality and customer experience.

Introduction
As part of a larger effort to enhance customer experience and responses to the firm’s offerings during the customer’s purchase journey (Lemon and Verhoef, 2016), service firms should implement management practices that persuade frontline employees to accept the firm’s customer-focused values and commit to delivering high quality service.

Although prior research has studied the relationship of values acceptance and employee job responses within work groups (Schwepker and Hartline 2005), few studies have examined how the consistency with which customer-centric values are shared among group members affects the outcomes of shared values for that group. We propose that the consensus—or lack of variation—of values within the group moderates the effect of shared customer-centric values on job outcomes relevant for service delivery.

This study applies a dispersion model of consensus that takes into account the variability of attitude within a group and looks at how that variability moderates the strength of relationships among constructs (Klein et al. 2001). Few studies in the services or marketing literature have studied the moderating role of team consensus as a means to improve the delivery of service quality by frontline employees. The current study addresses that gap and provides evidence that managers should consider both individual and group level effects when evaluating the impact of employee attitudes on service quality delivery (George 1990).

Within-Group Consensus of Shared Values
The hypothesized moderating effect of shared value group consensus is represented in Figure 1. Specifically, we investigate the extent to which the consensus about shared customer-oriented values among customer-contact team members affects the relationships of other employee attitude constructs that influence the delivery of high quality service. We show that group consensus can strengthen those relationships to potentially render a more favorable outcome for customers and the firm.

Team Consensus and Employee Attitudes
The employee who shares the firm’s customer-oriented values should experience less role ambiguity. If employees know and internalize the firm’s values and norms on the priority of service quality delivery (i.e., share the organizations customer-centric values), they should be more certain about how to fulfill their role and more likely to exert the appropriate effort to overcome obstacles hindering delivery of service that meets customer expectations. High team consensus on shared values...
should further reduce role ambiguity when the group has a high mean score on customer-centric values acceptance. A group whose members have a relatively high average level of shared values and who hold that view with minimal variation across group members should have less role ambiguity than a group that has the same average level of shared values, but large variation across group members.

Hypothesis 1A: An increase in shared customer-oriented values between employees and the firm is associated with a decrease in employee role ambiguity.

Hypothesis 1B: The effect of shared values on employee role ambiguity is greater for groups with higher levels of shared values consensus than for groups with lower levels of shared values consensus.

Shoemaker (1999) found that the leadership practice of inspiring a shared vision is positively related to job satisfaction. A customer-focused vision lets employees see how valuable their work is and important to the future success of the business, and thereby increases job satisfaction. Due to the group consensus effect discussed earlier, job satisfaction should be even higher in groups whose members are more similar in their acceptance of the organization’s customer-centric values.

Hypothesis 2A: An increase in shared customer-oriented values between employees and the firm is associated with an increase in employee job satisfaction.

Hypothesis 2B: The effect of shared values on employee job satisfaction is greater for groups with higher levels of shared values consensus than for groups with lower levels of shared values consensus.

Ahmed and Parasuraman (1994) define employee commitment to quality service as the strength of an employee’s dedication to providing quality service to an organization’s customers. Previous research has provided direct evidence of a positive relationship between shared values and employee commitment (Packard 2001). Due to the group consensus effect discussed earlier, employee commitment to service quality should be even higher in the groups whose members are more similar in their acceptance of the organization’s customer-centric values.

Hypothesis 3A: An increase in shared customer-oriented values between employees and the firm is associated with an increase in employee commitment to service quality.

Hypothesis 3B: The effect of shared values on employee commitment to service quality is greater for groups with higher levels of shared values consensus than for groups with lower levels of shared values consensus.
Other Relationships
Empirical research generally supports the following hypothesized relationships (Brown and Peterson 1993; Hartline and Ferrell 1996; Jackson and Schuler 1985; Mathieu and Zajac 1990; Schwepker and Hartline 2005; Singh 1993; and Williams and Hazer 1986):

Hypothesis 4: An increase in employee role ambiguity is associated with a decrease in employee job satisfaction.

Hypothesis 5: An increase in employee role ambiguity is associated with a decrease in employee commitment to service quality.

Hypothesis 6: An increase in employee satisfaction is associated with an increase in employee commitment to service quality.

Research Method
Sample, Data Collection, and Measures
We chose hotels as the setting for our study because of the variety of customer-contact roles comprising the service team at each location (e.g., front desk service, food service, reservations, housekeeping, bell staff, etc.). Three hotel chains, in the middle-to-high price/quality range, agreed to participate in the study. Of the 2,220 service employee surveys distributed, we received 561 usable surveys from 127 different hotel units.

Measures used in the study were adapted from previous studies in marketing, management and psychology (Brown and Peterson 1993; Chonko, Howell, and Bellenger 1986; Enz 1986; Mowday et al. 1979; Wasmer and Bruner 1991). We assessed the psychometric properties and unidimensionality of all measures through the use of confirmatory factor analysis. Group mean scores on each scale were calculated for each hotel unit.

To assess group consensus on the shared values measure for each hotel unit, we calculated the standard deviation of scores for each shared value scale item, and then averaged the item standard deviations to determine the within-group variability for that hotel unit, as in prior studies (Ahearne et al. 2010; Klein et al. 2001; Roberson et al. 2007; Schneider et al. 2002). A low average standard deviation indicates a highly consistent view among employees (high consensus), and a high standard deviation indicates a lack of agreement within the group on shared values (low consensus).

Analysis and Results
Measurement Model
In the confirmatory factor analysis of the measurement model, multiple items were deleted from the scales due to nonsignificant t-values or low factor loadings. All other indicators were significant, with t-values exceeding 2.00 and factor loadings above 0.5. Therefore, the measurement model was determined to have convergent validity (Anderson and Gerbing 1988).

Construct reliability for all scales exceeded the minimum accepted .70 (Nunnally 1978). The average variance extracted (AVE) for three scales exceeded the minimum threshold of .50 (Fornell and Larcker 1981), and the employee commitment to service quality scale AVE was .46. Prior research deems lower reliability scales acceptable when they are new or substantially adapted measures used in a new theoretical model for the first time, and when there are no discriminant validity issues (Ping 2009). The AVE for three of the scales exceeded the shared variance for the construct with every other construct. The AVE for shared values was slightly below the shared variance of shared values with job satisfaction, but exceeded the shared variance with each of the other two constructs. Overall, the model demonstrated discriminant validity. The measurement model’s fit statistics indicate that the model has an acceptable fit to the data (Hu and Bentler 1999). Fit statistics, construct reliabilities, correlations, AVE, and shared variance results are available from the corresponding author upon request. We found no evidence of a single factor accounting for all or most of the covariance among the variables. The indicator of common methods variance, \(r_m\), was a modest correlation of 0.25.

Structural Model
Having established that the measurement model has satisfactory levels of validity and reliability, we then assessed the adequacy of the full hypothesized model. The variance inflation factor (VIF) for each variable was below 2.0, indicating little or no multicollinearity among the variables (Hair et al. 2009).

The fit statistics indicated an adequate fit of the hypothesized model to the data: Chi-square = 182.57, degrees of freedom = 113, p <= .001, TLI = 0.9, CFI = 0.917, RMSEA = 0.07. Significant path relationships in the trimmed model provide support for hypotheses 1A, 2A, 3A and 4. Hypotheses 5 and 6 are not supported. The structural parameter estimates and fit statistics for the trimmed model are available from the corresponding author upon request.

Team Consensus
We tested for shared value team consensus moderation by splitting the sample of hotel units into two groups based on the standard deviation of the group members shared values scale scores. Hotel units with standard deviation below the median for the sample were placed in the high consistency group, and units with standard deviation above the median were placed in the low consistency group. The multigroup
model (with simultaneous estimation of the model for high and low consensus groups) was first run with paths not constrained to be equal between the groups, and then with paths constrained to be equal (Baron and Kenny 1986). The difference in chi-square between the constrained and unconstrained multigroup models was significant at the $p < .05$ level (delta chi-square = 10.909, delta df = 4), which indicates that shared value group consensus does moderate strength of one or more relationships in the model.

We then tested each of the model paths by first freeing and then constraining the path to be equal between the groups, to determine which path was moderated by shared values group consensus (Baron and Kenny 1986). Significant chi-square differences were found for the shared values to role ambiguity path ($p < .10$), the shared values to job satisfaction path ($p < .001$), and the shared values to employee commitment to service quality path ($p < .001$). The standardized coefficients for those paths were significantly stronger for the high consensus group than for the low consensus group. These results provide support for hypotheses 2B and 3B, moderate support for hypothesis 1B, and strong evidence that group consensus influences the strength of shared values’ impact on key employee attitudes and job responses that affect customer service quality delivery. Chi-square difference results for the test of moderation are available upon request, from the corresponding author.

### Discussion

The results indicate that group consensus plays a role in improving service quality and customer experience. The extent to which group members hold a similar level of acceptance of the organization’s customer-centric values will influence the effect of those shared values on job satisfaction, role ambiguity and employee commitment to service quality. High group consensus strengthens those main effects. Shared customer-centric values as an individual employee attitude is very sensitive to socialization, and to what others in the employee’s work environment think and feel. When pressures of group conformity drive individual attitudes toward the group norm (high group consensus), there results stronger outcomes of that attitude for the group because more group members hold that view.

### Theoretical and Research Implications

Service quality is considered an antecedent of customer experience (Lemon and Verhoef 2016), so improving FLE-provided service quality at various touchpoints along the customer’s journey can enhance customer engagement and customer experience. Greater average acceptance of the firm’s customer-oriented values by a work group, with minimal variation across group members (high group consensus), leads to stronger service quality commitment and improved service delivery. That outcome occurs particularly in situations where employee attitude influences customer perception of the responsiveness and empathy dimensions of service quality. Also, group acceptance and consistency of shared values increases job satisfaction and lowers role ambiguity, and lower ambiguity increases job satisfaction; therefore, group shared values consensus can indirectly impact the outcomes of job satisfaction. Improvement in customer-contact employee job satisfaction should result in improved perceived service quality (Hartline and Ferrell 1996), customer satisfaction, customer loyalty and firm profitability (Heskett 1994). We contribute to the marketing literature by providing evidence of a group consensus effect on worker attitudes that can influence service delivery, customer perceptions, customer experience and ultimately business performance.

### Managerial Implications

When formal and informal management controls such as work socialization (Hartline et al. 2000), employee discussion of organization values (Schwepker and Hartline 2005) and supervisor consideration (Singh 1993) are employed to positively affect the extent to which employees share the customer-oriented values of the organization, the results are improvements in important employee job responses that influence customer perceptions, customer experience and behaviors (Lemon and Verhoef 2016). At the workgroup level, managers may be able to increase shared values group consensus through the use of team building activities, internal marketing, formal group training, and transformational leadership.

A strength of this study is its use of a diverse sample of customer-contact employees who experience widely varying types and levels of customer interactions. The use of a sample from a single industry eliminates the confounding effects of differences across industries. Future studies could (1) clarify the process by which work group socialization affects group consensus, and (2) use SERVQUAL (Parasuraman et al. 1988) to measure the indirect impact of group consensus on service quality and customer experience.

### References


Customer Process Clarity in Fragmented Services Contexts

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Keywords: role clarity, goal clarity, process clarity, service offering fragmentation, service scope, customer integration

Description: This research provides evidence that customer role clarity has an impact on the customer’s service outcomes, and that the customer’s role clarity is affected by the degree of fragmentation in the service offering.

EXTENDED ABSTRACT

Research Question
How is a customer’s role clarity impacted by the fragmentation of service offerings?

Method and Data
We used an online questionnaire of brides-to-be. The wedding context was chosen because it is a prototypical example of a fragmented service offering (having both broad scope and increased opportunity for customer integration). The sampling effort generated a total of 301 responses. We tested the psychometric properties of the scales by evaluating the reliability of the items and scales, and the convergent and discriminant validity of the constructs (using SmartPLS 3.0).

Summary of Findings
Both Service scope (β = –.135, p < .01) and customer integration (β = –.119, p < .01) had a significant negative effect on customer process clarity. The data also shows a significant link from customer’s goal clarity to customer’s process clarity (β = .494, p < .001). When the customer’s goal clarity increases, service provider performance also increases (β = .412, p < .001).

Key Contributions
This research begins to explore the effects of fragmented service encounters. This is important because far too often service transactions are only looked at dyadically, thus ignoring the effects of fragmentation. This research supports the contention that the unit of analysis may need to be expanded in some cases especially those that are fragmented since fragmented service events present customers with an array of challenges in performing their role. It can be a daunting task for the customer to fulfill the requirements of her role. This research provides evidence that customer role clarity has an impact on the customer’s service outcomes, and that the customer’s role clarity is affected by the scope of the service and the amount of customer integration needed.

References are available on request.
Marketing Doctrine in Public Sector Undertakings in an Emerging Market

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Keywords: marketing doctrine, marketing in PSUs, emerging markets

EXTENDED ABSTRACT

Research Question
Many large organizations in the USA have a range of products and operate in different market segments. To improve the efficiency of operations and make faster decisions, organizations employing these managers would like to operate consistently across all the markets. To this end, some firms use a set of guiding principles. Challagalla et al. (2014) define these principles as marketing doctrines and about 10% of Fortune 500 firms that operate to maximize shareholder value have such doctrines in place. In this research, we investigate if such doctrines exist in public sector undertakings in India. The principle of marketing doctrine was developed based on qualitative interviews conducted in North America with several Fortune 500 companies, and about 10% of the fortune 500 companies have marketing doctrine. Some of the characteristics of the marketing doctrines are that they are organization specific, explicit, long lasting, central and of high importance, and guide organizational decision making (Challagalla 2017). In this research, we investigate the applicability of marketing doctrines to public sector organizations in an emerging market.

Method and Data
To understand how public sector organizations in India make market facing decisions, we employed the following methods.

• we conducted several in-depth interviews with senior officials,
• we shadowed senior executives in three different organizations for five days,
• we read transcripts and watched videos of interviews and presentations by senior executives of public sector organizations, and
• we examined relevant documents (for example, citizen charters) to understand how marketing doctrines evolve and how public-sector undertakings use them.

Summary of Findings
One of the differences we see in the marketing doctrine between the fortune 500 firms and the public-sector organizations in India is the objective of these doctrines. The marketing doctrines practiced by fortune 500 firms like Merck, Coke, Apple, and Cisco are designed mainly “to guide the development of their commercial strategy and marketing plans” (Challagalla 2017, p.2). The marketing doctrines of the public-sector organizations in India implicitly realize the need to go beyond financial performance and consider the well being of other stakeholders such as customers, employees, society, and the environment.

Some marketing doctrines in the public-sector organizations are akin to mandates. For example, some public-sector undertakings want to ensure that they do not target only the most profitable segments of the market. Instead, they serve weaker sections of the market that may not be profitable. While there is no enforcement of these doctrines several public sector organizations seem to follow these mandates voluntarily.

Fortune 500 companies operate in diverse product-markets, and the marketing doctrines they develop are based on their experiences. These marketing doctrines vary across these companies. There is only limited scope for learning from the experiences of other organizations. However, in the case of public sector enterprises in India, we find that there is a cross-fertilization of ideas and many organizations share...
similar values/outlook (optimizing a mix of profits and customer welfare) in making market facing decisions. The fortune 500 companies learn how to generalize market facing decisions over time. In stark contrast, when we spoke to senior executives of public sector organizations, we noted that even when organizations come into existence, there are some implicit marketing doctrines that these companies use from the very beginning. One of the reasons for this is the transfer of senior executives across these organizations.

The marketing doctrine of the fortune 500 companies focuses on market-facing choices with scant attention to Corporate Social Responsibility. All the examples given by Challgalla et al. (2014) and Challagalla (2018) focus only on market-facing choices as it applies to the firms’ customers. CSR is not part of the marketing doctrines in the case of fortune 500 companies. However, CSR is part of the marketing doctrine in the case of public sector undertakings in India.

**Key Contributions**

In this research, we show that the concept of marketing doctrines is not unique to Fortune 500 companies. Indeed such doctrines exist in some public sector undertakings in India. We also show how the doctrines practiced by Fortune 500 companies differ from those practiced by the public sector companies in India.

*References are available on request.*
Introduction
E-commerce will surpass $4.5 trillion mark by 2021 (Global Ecommerce, 2017). More and more businesses are, therefore, setting-up their shops online to serve customers who love convenience and one-click shopping (Mukhopadhyay and Setaputra, 2007). The E-tailing firms have made it easy and simple to buy the product but they are yet to figure out how to equally well perform the product return service for customers. Returns have become major concern for the customers due to hassles associated with sending the product back to the E-tailer (ETRetail.com, 2017), and most firms are yet to de-code how to provide a satisfying, worry-free returns service.

The process of return for customers starts by making the return request to the E-tailing firm through e-mail or mobile app, sometimes followed by telephonic conversations and contacting the service employees. After verification of the return request by the E-tailing firms, customers are required to repackage the product to be returned, sometimes print labels too, and then waiting for the pick-up from E-tailing representative or doing a self-courier to return the product. During the process at many touch points, the customer’s interaction with the E-tailer can occur either through E-mail, phone or live chat. These interactions impact the future customer outcomes such as repurchase intentions and customer loyalty (Parasuraman et al., 2005). Previous research has identified important but only few attributes which impact customer outcomes during service recovery phase (return phase) of customer journey (Parasuraman et al., 2005; Mollenkopf et al., 2007). The attributes suggested by Parsuraman et al. (2005) are compensation, contact and responsiveness. Research shows that the policy of giving compensation or refund impacts customer outcomes like loyalty and repurchase intentions (Parasuraman et al., 2005, Janakiraman, 2016). Other studies show that an effectively done customer contact through mail, phone or live chat encourages customers to spread positive word of mouth for the E-tailer (Mollenkopf et al., 2011). On the other hand, return hassles and customer physical effort of self-courier, printing return labels negatively affect customer loyalty (Mollenkopf et al., 2011). The research by Janakiraman (2016) shows that monetary effort such as return related shipping and restocking fees decreases customer repurchase intentions. Thus, most of the previous research has shown that the return experience of the customer do impact customer outcomes like repurchase intention and customer loyalty (Griffis et al., 2012).

It was also found in earlier studies that when customers interact with service firms, they evaluate the service encounter as causing harm, benefit or threat which results in emotional reactions (Bagozzi et al, 1999) and behavioral outcomes (Lazarus, 1991). Customer evaluation of the service encounter, therefore, could generate negative emotions like anger, sadness etc. or positive emotions like relief or joy etc. (Lazarus, 1991). It can also produce the behavioral responses like vindictive negative word of mouth (Bougie et al. 2003), vindictive complaining (Gregoire and Fisher, 2008), venting online revenge (Obeidat et al., 2017) and online repatronage intention (Rezaei et. al, 2012). Despite of the fact that previous studies have discussed role of customer evaluation in service encounters and how it impacts emotional and behavioral responses, there is the lack of research on customer evaluation of return service encounters, and thus our study attempts to fill this gap by answering...
the question: How does the return service attributes of E-tailing firms affect customer outcomes? To simplify, the purpose of the study is to dig deeper into the following three sub-questions. Firstly, what are return service attributes of E-tailing firms that customer care about in the return service encounter? Secondly, how does customer evaluate the return service attributes during return service encounter? And thirdly, what actions customers take after the evaluation?

Research Methodology and Analysis

The study has adopted abductive research approach (Kovacs and Spens, 2005) to develop an empirically grounded model of return service attributes and customer outcomes in E-tailing context. The attributes and outcomes found from the empirical data are constantly compared with the attributes and outcomes from the previous literature and then the new attributes are added to develop and refine the existing theory. Our research plan consisted of several stages. Firstly, the sequential incident technique (SIT) was adopted for conducting customer interviews. As per SIT approach (Stauss and Weinlich, 1997), a loose theoretical framework known as path diagram was constructed for the return process of E-tailing firms following the guidelines of the sequential incident technique (Gremler, 2004; Jones, 1999). The framework then guided the interview themes during data collection. Secondly, the netnographic content analysis (NCA) was adopted to collect secondary data (Kozinets, 1998). For conducting the NCA, critical incidents of the customers were collected from online complaint forums and websites of E-tailers. Thirdly, empirical data collected through SIT interviews and NCA were content analyzed to find the themes and categories (Krippendorff, K., 2018). Fourthly, findings of the data analysis were then matched with the previous theory and thus, the empirical data guided our search back into the theoretical domain, resulting in the selection of three existing attributes—compensation, contact and responsiveness (Parasuraman et al., 2005) from the literature. Fourthly, new concepts (themes and categories) that helped in understanding the empirical data were added to the existing model. Finally, our qualitative study establish reliability and validity of the study by checking the four criteria of trustworthiness i.e. credibility, transferability, dependability and neutrality (Lincoln and Gaba, 1985) through the triangulation of the data, sources and methods (Denzin, 1978).

Discussion

The findings of the study support the fact that customers’ evaluation of return service attributes of E-tailing firms affect customer outcomes during a return service encounter. The study identifies the following return service attributes of E-tailing firms that customer look into during return service encounter: (1) Owning up to mistakes, (2) Customer time, effort and money, (3) Customer friendly refund policy and (4) Employee service support. The attributes “owning up to mistakes” and “employee service support” emerged as new attributes from empirical data. The new sub-attributes found in our study for “Owning up to mistakes” are owning up to issues related to technical errors, company’s or seller’s issues of sending wrong product, and issues related to refund and cash back. For the second attribute “Customer time, effort and money,” we found that sub-attributes of waiting time for picking the product, and physical effort to go and drop off the product are evaluated by customers along with imposed shipping fees and preparing documentation for the return. The sub-attributes that emerge for attribute “Customer friendly refund policy” are company’s approval of refund, the mode(s) available with the company to process refund, timeliness of refund and full amount refund. For the attribute “Employee service support,” it is found that customer wants proper and timely information about the return status, active listening and proper response for the return request by the employees. Also, customer expects respectful and proper behavior in addition to quick responses from the employees. The study shows that when customer evaluates the return service encounter dissected in terms of returns service attributes, customer emotions guides them to adopt future outcomes towards E-tailing firms. Further, our finding also shows that the customer outcomes for the E-tailing firms vary positively or negatively with the valence of the emotional responses of the customers for the return service encounter. The extreme negative outcomes like online litigation and online revenge is adopted by the customers if the return service is perceived highly negative. And negative word of mouth and vindictive complaining is chosen if service is perceived as low-moderately negative. The study also confirms that consumer evaluates return service as positive in cases when they are satisfied with the service encounter. The outcomes chosen in this case is positive word of mouth, repurchase intention and enhancement of customer loyalty and commitment towards the E-tailing firms.

Implications

Theoretically, our study contributes to the nascent literature on E-return service during the post-purchase return experience journey. The study adds new E-return service attributes in the literature. Our study suggests “Owning up to the mistakes” as a new attribute which signifies accepting responsibility by the E-tailing firm for issues like technical error, seller-related or cash back issues. Another new attribute, namely, employee service support has been suggested from our study. The research also shows that cognitive appraisal of attributes lead to emotional reactions which guides the behavioral responses in the return service encounter, thus adding contribution by showcasing the role of emotions in the cognitive evaluation process in the return service encounter in E-tailing context.
Practically, the study can be used by the E-tailing firms and practitioners to know—what are the return service attributes that matters for the customers in a return service encounter. Thus by knowing the attributes, the practitioners can improve their E-return service for delivering better return experience to consumers. Secondly, since our model attaches particular outcomes to each of the customer’s emotional reactions, companies by taking immediate feedback on customer feelings after return service is completed, will be able to know in advance what actions the customer might take to cope up with their feelings. Thus, companies can plan their relief actions for the customer before the customer initiates any harmful actions against the company.

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Doing It My Way: The Mediating Role of Deviating from Company Sales Guidelines

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Keywords: sales performance, training, influence, role ambiguity, deviation

Description: This current research creates an empirical view of how different types of training lead to differences in sales performance and how this is affected by deviating from what the salespeople learned in training as well as different job traits such as role ambiguity, role conflict, and the influence that salespeople have over their customers.

EXTENDED ABSTRACT

Research Question
Does timing of salesforce training affect their understanding of the job and the likelihood they will deviate from company guidelines?

Method and Data
Sample
The data used to study the model was collected through a survey of salespeople in the United States that were in the B2B sector of sales. A variety of industries was included to extend the generalizability of the results of the study. Only salespeople were included in the study.

Interviews
In addition to the empirical study presented later in this article, we conducted a series of interviews with salespeople in various industries to better understand this construct of deviation. While talking to salespeople in both business-to-consumer and business-to-business sales, we found that 90% of these salespeople felt the need to deviate from what they learned from the company to better serve their customers and to push the final sale through to completion. In addition, these salespeople also reported that freedom within their role allowed them to be able to adapt their role to deviate from what they learned in training.

Structural Equation Modeling
The overall model has several relationships including overall main effects, mediating influences, as well as moderating influences. We analyzed the effects of the overall model using structural equation modeling in SPSS AMOS v25.

Summary of Findings
The results show that while episodic and continuous training have both been corroborated as viable training program design options, each is not an end-all solution that can be applied to the sales context. In other words, managers would have false hope that choosing episodic training will lead to higher sales performance. While still a great option in many other contexts, models show that neither training program alone will produce the results that we would want. Instead, a recommendation for future research includes studying how managers can use a hybrid of each of the training programs. This hybrid program would allow the salesperson to have the autonomy to personalize their sales tactics, mostly driven by the freedom that they feel they have in their roles through role ambiguity, while still allowing this same salesperson to know what kinds of customers they usually sell to and how to best serve their clientele.

These salespeople need to be able to typecast their clients from the start and finish with their own personalized selling skills that they need to come up with when they feel a level of incompleteness about what is expected of them in their current role.

Key Contributions
While we know that sales performance has always been a very important topic because it is impactful for many fun-
tions of the business, we find a new relationship between how those sales employees learn and how this is applied to achieve sales and financial success. We find an alternate pathway from training to performance by placing both of these constructs into a marketing view that can have implications for many people in different industries.

This research was written in conjunction with different sales industries. From the interviews done with several salespeople to the sampling technique used, this research is meant to make a real-life impact on both private and public organizations that engage in business-to-business (B2B) sales. The novel results that we found in our study shows that salespeople need the knowledge they gain in training, but also, they need the autonomy to be able to tailor their message to their customers, especially in the “moment of truth” as the customer decides to make their purchase or to move onto the next seller that can more closely meet their needs.

References are available on request.