TILBURG ◆ UNIVERSITY

DEVELOPING A CONCEPTUAL MODEL

BUSINESS RESEARCH

The seven-step deductive research process

7	Write-up
6	Analyze data
5	Collect data
4	Choose a research design
3	Develop a theoretical framework
2	Formulate the problem statement
1	Define the business problem

Agenda

- How to define variables?

- How to build a conceptual model?

1. How to define variables?

What makes a good variable definition?

☐ Informative variable name (keep it short if possible)

☐ Variable definition without jargon

- Based on a careful literature review

- Unless very obvious (e.g., sales, profits)

- Pitfall: Examples do not substitute for a definition

☐ One or two supporting references per variable definition

Variable definitions

- What if many different definitions exist in the literature?

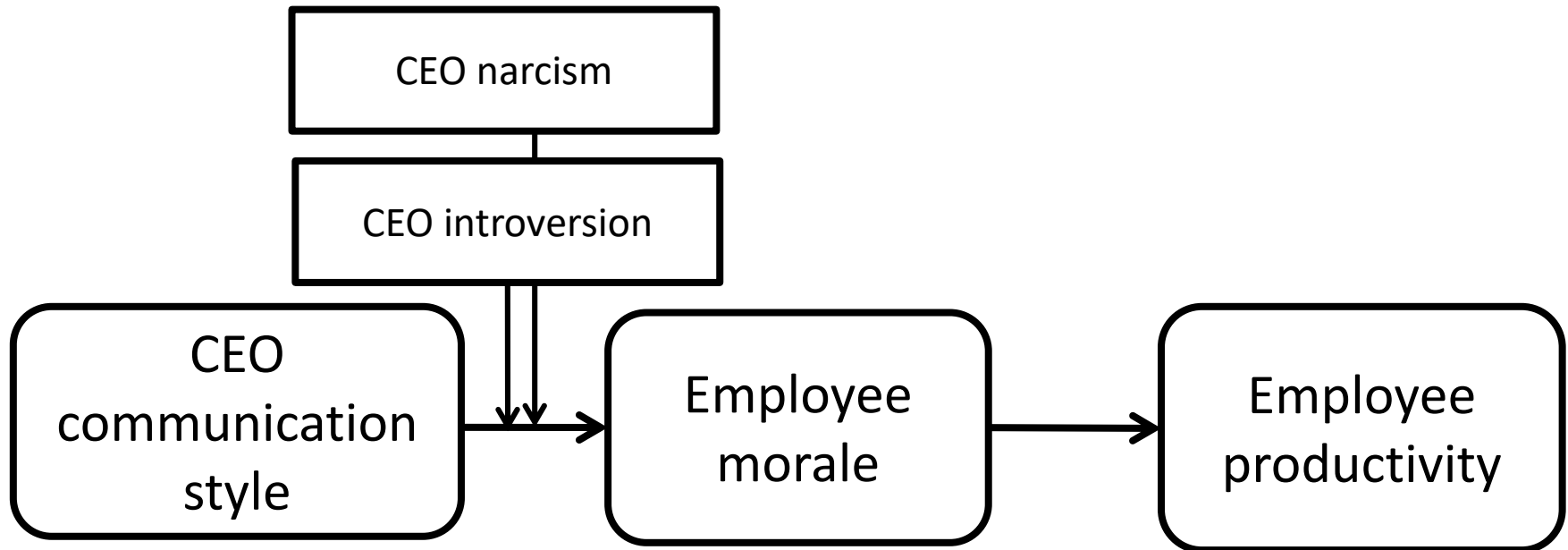| Number of brand loyalty definitions	Number of attitude definitions
> 50	**> 500**

- – Acknowledge the major differences
- – End with a definition that focuses on the shared meaning across definitions
  or Pick one definition and justify why

Variable definitions

Always use **EXACTLY** the same variable names throughout your research

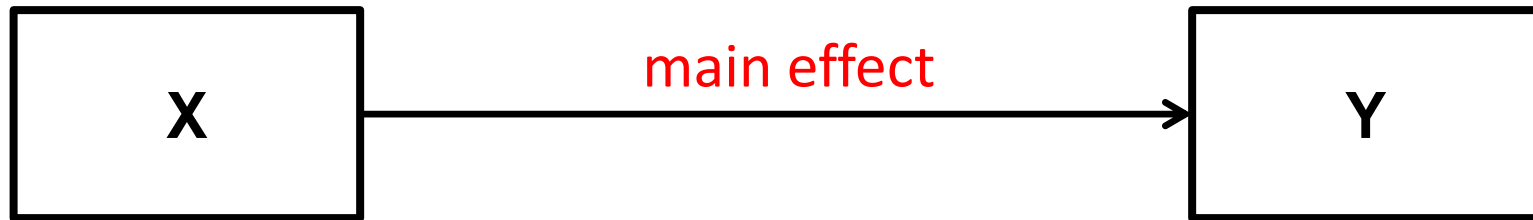# 2. How to build a conceptual model?

Example

Variables are building blocks

- Dependent variables

- Independent variables

- Mediating variables

- Moderating variables

Relationships are arrows

- Main effect

- Direct / indirect effect

- Moderating effect

Dependent and independent variables

X **main effect** → Y

Independent variable:
Influences the dependent variable
- in a positive way, or
- in a negative way

Dependent variable:
The variable of primary interest

Aka: predictor variable, IV

Aka: criterion variable, DV

Examples

X ⟶ Y
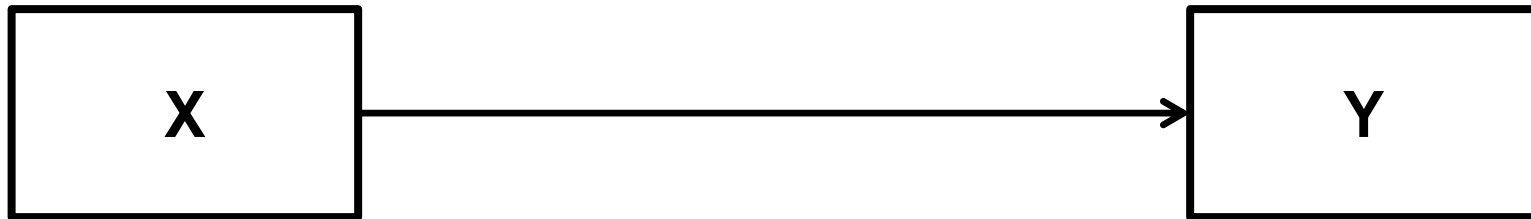
- Employee morale after merger ⟶ Employee productivity

- Salary levels ⟶ Job satisfaction

- New product introductions ⟶ Company sales

Mediating variable

X → MED → Y

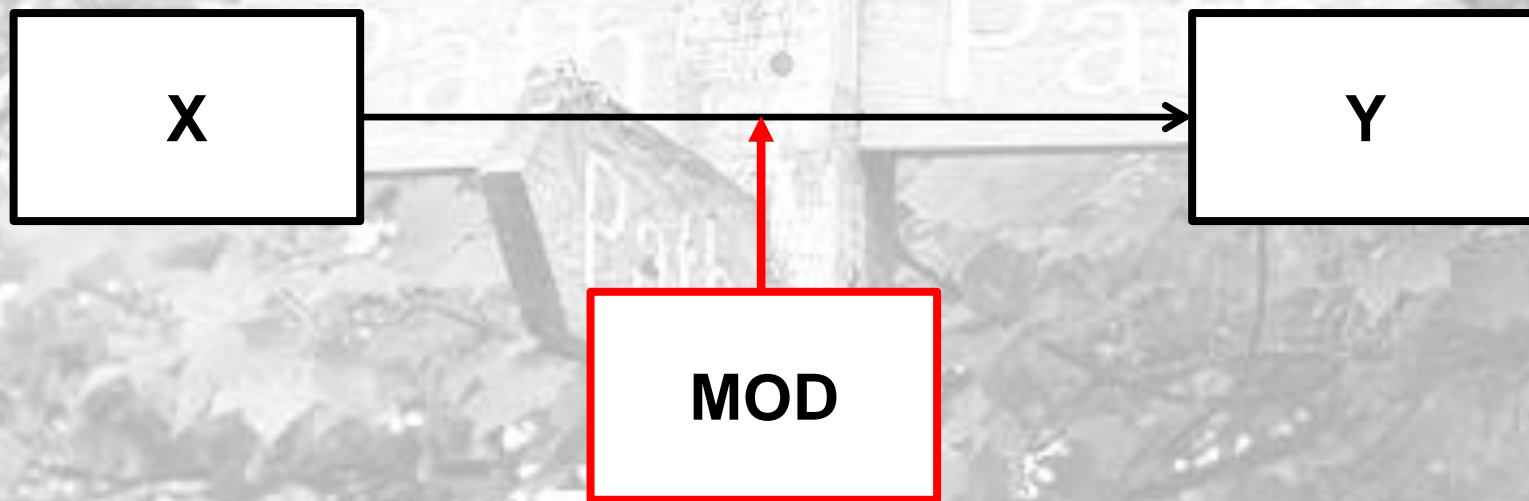A variable that explains the mechanism at work between X and Y

Aka: mediator, intervening variable

Mediating variable: Examples

X	MED	Y

- CEO commu-
  nication style → Employee morale → Employee productivity

- Advertising → Consumer attitudes → Purchase intentions
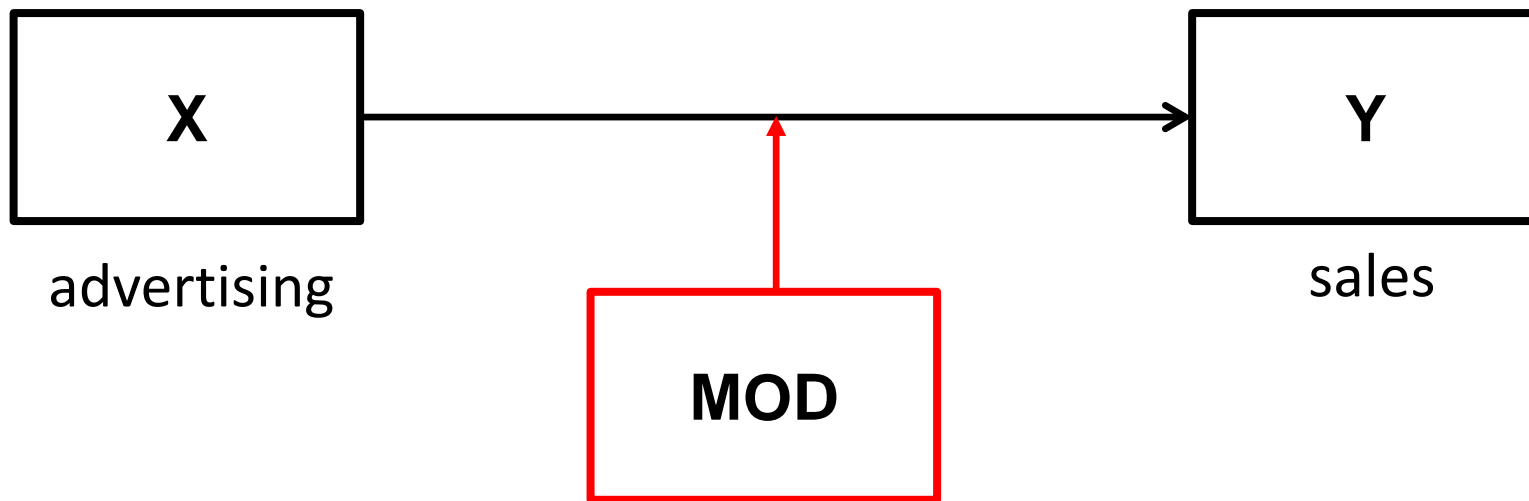
- R&D → New product
  introductions → Sales

Moderating variable

A variable that alters the strength and sometimes even the direction (positive ↔ negative) of the relationship between X and Y

Aka: moderator, interaction variable

Moderating variable: Examples

- recession
- TV advertising or internet advertising
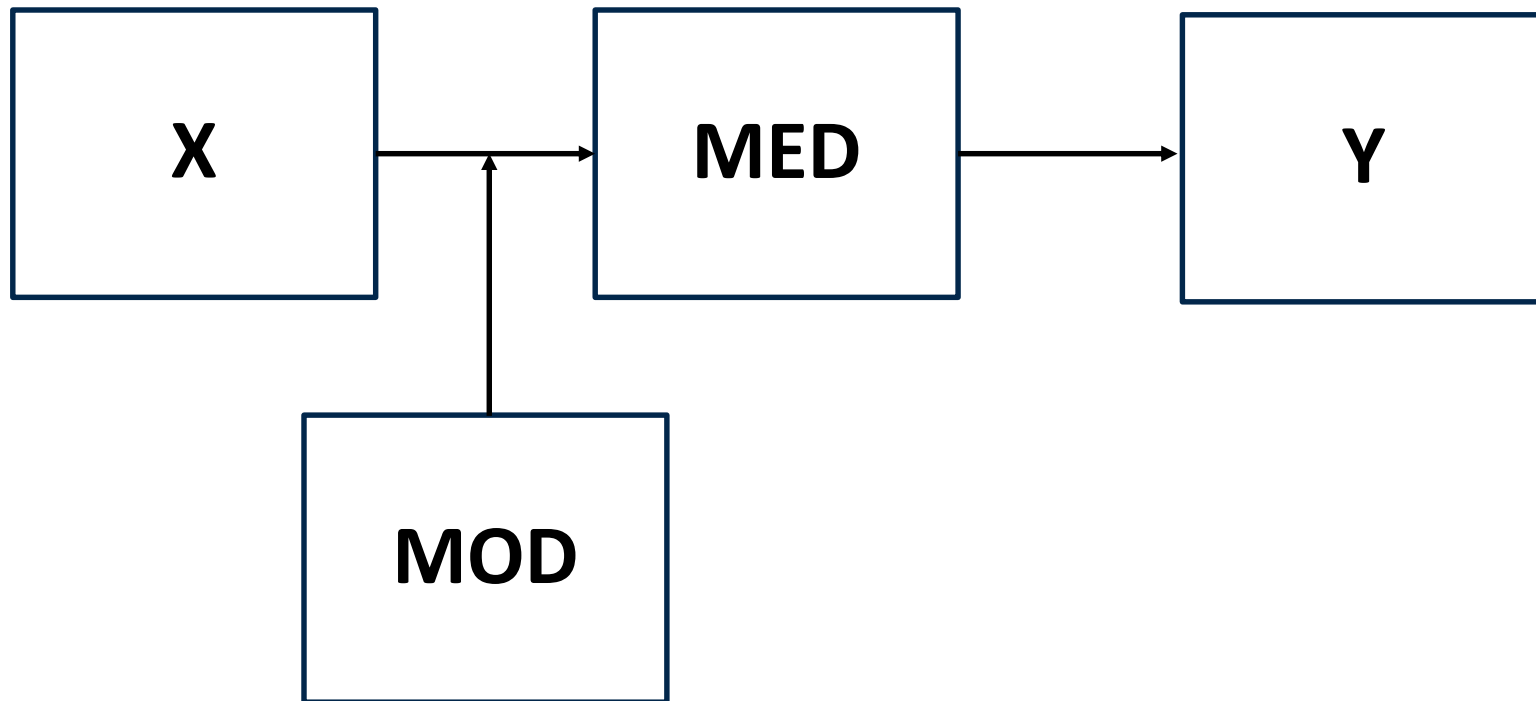
Conditional process model

Conditional process model

Example